

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2022-2021**

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd. Building G  
Zanesville, Ohio 43701**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Strasburg  
224 N Bodmer Avenue  
Strasburg, OH 44680

We have reviewed the *Independent Auditor's Report* of the Village of Strasburg, Tuscarawas County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of this investigation, results may be reported on at a later date.

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 Strasburg is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

July 17, 2023

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**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY  
FOR THE YEARS ENDED DECEMBER 31, 2022-2021**

**TABLE OF CONTENTS**

Table of Contents	( i )
Independent Auditors' Report	1-3
Financial Statements	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2022	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary Fund Types For the Year Ended December 31, 2022	5
2022 Notes to the Financial Statements	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2021	16
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary Fund Types For the Year Ended December 31, 2021	17
2021 Notes to the Financial Statements	18
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards.	28
Schedule of Findings	30
Schedule of Prior Audit Findings	32

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Village of Strasburg  
Tuscarawas County  
224 N. Bodner Avenue  
Strasburg, Ohio 44680

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 Strasburg, Tuscarawas County, Ohio (the Village) which comprises the cash balances, receipts and disbursements for each governmental fund type and proprietary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

**Unmodified Opinion on Regulatory Basis of Accounting**

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Village of Strasburg, Tuscarawas County as of December 31, 2022 and 2021, or changes in financial position thereof for the years then ended.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards general 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 Responsibilities for the Audit of Financial Statements* section of our report. We are required to be independent of Village of Strasburg, 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 of Strasburg 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 general 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 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. Our opinions are not modified with respect to this matter.

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

Management is responsible for 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 Village of Strasburg'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 Responsibility 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 May 17, 2023, on our consideration of Village of Strasburg'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 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.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
May 17, 2023

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property Taxes	\$ 166,598	\$ 276,003	\$ -	\$ -	\$ 442,601
Municipal Income Tax	1,176,339	995,227	-	-	2,171,566
Intergovernmental	92,860	243,656	-	-	336,516
Charges for Services	548,033	129,254	-	-	677,287
Fines, Licenses, Permits	8,530	-	-	-	8,530
Earnings on Investments	29,805	-	-	-	29,805
Miscellaneous	199,209	155,631	-	-	354,840
<b>Total Cash Receipts</b>	<u>2,221,374</u>	<u>1,799,771</u>	<u>-</u>	<u>-</u>	<u>4,021,145</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	845,003	269,166	-	-	1,114,169
Public Health Services	1,672	-	-	-	1,672
Leisure Time Activities	-	59,135	-	-	59,135
Community Environment	9,035	-	-	-	9,035
Basic Utility Services	188,208	-	-	-	188,208
Transportation	-	270,032	-	-	270,032
General Government	413,586	-	-	-	413,586
Capital Outlay	596,394	257,091	-	147,962	1,001,447
Debt Service:					
Principal Retirement	-	37,098	-	-	37,098
Interest and Fiscal Charges	-	3,387	-	-	3,387
<b>Total Cash Disbursements</b>	<u>2,053,898</u>	<u>895,909</u>	<u>-</u>	<u>147,962</u>	<u>3,097,769</u>
<b>Excess of Receipts Over/(Under) Disbursements</b>	167,476	903,862	-	(147,962)	923,376
<b>Other Cash Financing Sources (Uses)</b>					
Debt Proceeds	112,300	-	-	-	112,300
Transfers In	-	120,753	-	181,129	301,882
Transfers Out	(301,882)	-	-	-	(301,882)
Other Financing Uses	(30,874)	-	-	-	(30,874)
<b>Total Other Cash Financing Sources (Uses)</b>	<u>(220,456)</u>	<u>120,753</u>	<u>-</u>	<u>181,129</u>	<u>81,426</u>
<b>Net Change in Fund Cash Balance</b>	(52,980)	1,024,615	-	33,167	1,004,802
<b>Fund Cash Balances, January 1, restated</b>	<u>478,210</u>	<u>1,133,685</u>	<u>14</u>	<u>825</u>	<u>1,612,734</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 425,230</u>	<u>\$ 2,158,300</u>	<u>\$ 14 #</u>	<u>\$ 33,992</u>	<u>\$ 2,617,536</u>

See notes to financial statements.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Enterprise Fund
	2022
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 1,334,981
Fines, Licenses and Permits	67,683
<b>Total Operating Cash Receipts:</b>	1,402,664
<b>Operating Cash Disbursements:</b>	
Personal Services	520,400
Contractual Services	374,000
Supplies and Materials	134,661
<b>Total Operating Cash Disbursements</b>	1,029,061
<b>Operating Income</b>	373,603
<b>Non-Operating Receipts/(Disbursements)</b>	
Capital Outlay	(57,117)
Other Debt Proceeds	20,659
Principal Retirement	(290,421)
Interest and Other Fiscal Charges	(17,599)
<b>Total Non-Operating Receipts/(Disbursements)</b>	(344,478)
<b>Net Change in Cash Fund Balance</b>	29,125
<b>Fund Cash Balances, January 1</b>	2,141,775
<b>Fund Cash Balances, December 31</b>	\$ 2,170,900

See notes to financial statements.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Strasburg, Tuscarawas County, (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, street repair and maintenance, refuse and compost services, park operations, fire protection services and police services. The Village contracts with Smith Ambulance Services, Inc. to provide emergency medical services.

The Village participates in jointly governed organizations. Note 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.

**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 balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis.

***Fund Accounting***

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

**Governmental Funds**

**General Fund**

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific 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 license tax money for constructing, maintaining, and repairing Village streets.

**Police Levy Fund** - This fund receives property and other local tax money for the operation of the Village police department.

**Fire Levy Fund** - This fund receives property and other local tax money for the operation of the Village's volunteer fire department.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 Fund:

**Fire Truck Debt Service Fund** – This fund is used to account for the payment of principal and interest on the Village’s fire truck loan.

**Capital Project Funds**

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

**Capital Improvement Fund** – This fund receives a portion of income tax revenue to account for the payment of capital improvements to the Village.

**Enterprise Funds**

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

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

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

**Water System Improvement Fund** – This fund receives a portion of water revenues to maintain and make improvements to the water system.

**Sewer System Improvement Fund** – This fund receives a portion of water revenues to maintain and make improvements to the sewer system.

***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 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 117-2-03(C) permit.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Process***

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

***Appropriations***

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

***Estimated Resources***

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

***Encumbrances***

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

***Deposits and Investments***

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

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

***Property, Plant, and Equipment***

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

***Accumulated Leave***

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

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Balance***

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

**Nonspendable** – The Village classifies assets as ***nonspendable*** when legally or contractually required to maintain the amounts intact.

**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*** via formal action (resolution). The Village must adhere to these commitments unless 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***. Governmental funds other than general fund report all fund balances as ***assigned*** unless they are restricted or committed. In the general fund, ***assigned*** amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

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

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**3. BUDGETARY ACTIVITY**

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

<b>2022 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,263,386	\$ 2,333,674	\$ (929,712)
Special Revenue	1,728,738	1,920,524	191,786
Capital Projects	180,000	181,129	1,129
Enterprise	1,478,000	1,423,323	(54,677)
Total	\$ 6,650,124	\$ 5,858,650	\$ (791,474)

<b>2022 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,741,597	\$ 2,386,654	\$ 1,354,943
Special Revenue	2,730,392	895,909	1,834,483
Capital Projects	180,825	147,962	32,863
Enterprise	3,619,776	1,394,198	2,225,578
Total	\$ 10,272,590	\$ 4,824,723	\$ 5,447,867

Contrary to ORC 5705.41(D), the Village made expenditures prior to certification.

**4. DEPOSITS AND INVESTMENTS**

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

	2022
<b><i>Cash Management Pool</i></b>	
Demand deposits	\$ 3,037,546
Total Deposits	3,037,546
STAR Ohio	1,750,890
Total Investments	1,750,890
Total Carrying Amount of Deposits and Investments held in Pool	\$ 4,788,436
	2022
<b><i>Segregated Accounts – Not held in the Pool</i></b>	
Payroll Clearing Account (Not held in Pool)	\$ 10,282
Total Outside Accounts	\$ 10,282

The Village has a separate payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. . The expenditures included in the accompanying financial statements reflect gross payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$10,282 in unremitted employee payroll withholdings.



**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**4. DEPOSITS AND INVESTMENTS (Continued)**

**Deposits:** Deposits are either 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.

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

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by 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.

**6. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1.5 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.

The Village's income tax of 1.5 percent is comprised of not more than 75 percent of the net available income tax being allocated to the General Fund, at least 15 percent of the net available income tax being allocated to the Capital Projects Fund and at least 10 percent of the net available income tax being allocated to the Park Fund.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Law enforcement liability;
- Public Officials liability;
- Employment practices liability; and
- Errors and omissions.

The Village provides health insurance to full-time employees through Tuscarawas County (County). The Village is invoiced their monthly premiums and the premiums are paid to the County. All risk transfers to the County.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**8. DEFINED BENEFIT PENSION PLAN**

*Ohio Public Employees Retirement System*

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

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10.00% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2022.

*Ohio Police and Fire Retirement*

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25%. The Village contributed to OP&F an amount equal to 24.00% of full-time fire fighters wages and 19.50% of full-time police officers wages. The Village has paid all contributions required through December 31, 2022.

*Social Security*

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

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

**9. POSTEMPLOYMENT BENEFITS**

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

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.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**9. POSTEMPLOYMENT BENEFITS (Continued)**

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

**10. DEBT**

Debt outstanding at December 31, 2022 was as follows:

	2022 Principal	%
OWDA – Wooster Avenue Water Line #9246	\$ 1,044,248	1.18-1.51
2020 Ambulance Loan	25,911	3.69
2020 Cruiser Loan	25,687	4.01
2022 Street Truck Loan	112,300	5.89
Total	\$ 1,208,338	

The Village was approved for a \$1,185,033 loan (#9426) from OWDA for a project to improve Wooster Avenue Water Lines in 2021. Amount drawn through December 31, 2022 is \$1,092,725. It is to be repaid over 20 years from the Water Fund.

In 2020, the Village enter into an agreement with Kansas State Bank for a Governmental Obligation Contract in the amount of \$75,000 to purchase an ambulance. It is to be paid over three years from the Fire Levy Fund.

In 2020, the Village enter into an agreement with Kansas State Bank for a Governmental Obligation Contract in the amount of \$50,000 to purchase a police cruiser. It is to be paid over four years from the Fire Levy Fund.

In 2022, the Village enter into an agreement with Kansas State Bank for a Governmental Obligation Contract in the amount of \$112,300 to purchase a truck. It is to be paid over five years from the General Fund.

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

Year	OWDA 9246	Ambulance Loan	Cruiser Loan	Truck Loan
2023	\$ 61,974	\$ 26,867	\$ 13,618	\$ 25,895
2024	61,974	-	13,618	25,895
2025	61,974	-	-	25,895
2026	61,974	-	-	25,895
2027	61,974	-	-	25,895
2028-2032	308,970	-	-	-
2033-2037	308,970	-	-	-
2038-2042	247,896	-	-	-
Total	\$ 1,175,706	\$ 26,867	\$ 40,854	\$ 129,475

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**11. JOINTLY GOVERNED ORGANIZATIONS**

*Tuscarawas County Regional Planning Commission (Commission)*

The Village is associated with the Tuscarawas County Regional Planning Commission, (the Commission) as a Jointly Governed Organization. The Commission is statutorily created political subdivision of the state. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the Commission is limited to its representation on the board. The Commission make studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical, and governmental characteristics, functions and services of the county. The Village has no responsibility for any of the Commissions liabilities. Complete financial statements can be obtained from the Commission.

*Tuscarawas County Tax Incentive Review Council*

The Tuscarawas County Tax Incentive Review Council (TCTIRC) is a jointly governed organization, created as a regional council of governments pursuant to Section 5705.62 of the Ohio Revised Code. TCTIRC has 44 members, consisting of 3 members appointed by the County Commissioners, 18 members appointed by municipal corporations, 14 members appointed by township trustees, 1 member from the county auditor's office and 8 members appointed by boards of education located within the county. TCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. This body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the TCTIRC can make written recommendations to the legislative authority, which approved the agreement. There is no cost associated with being a member of this TCTIRC. The continued existence of the TCTIRC is not dependent on the Village's continued participation and no measurable equity interest exists.

During 2022, no monies were paid to the TCTIRC from the Village.

The Village does not retain an ongoing financial interest or an ongoing financial responsibility with the TCTIRC.

*Strasburg-Franklin Joint Economic Development District*

The Village participates in, and is fiscal agent for, the Strasburg-Franklin Joint Economic Development District (JEDD). The JEDD is a joint venture between the Village and Franklin Township, created to facilitate economic development and to preserve jobs and employment opportunities. A five-member Board of Directors has been established to govern the JEDD, including two representatives appointed by the Village.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 expendable 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 facilities effective cash planning and control. At year end, the balances of those 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:					
Corpus	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Encumb.	-	-	-	-	-
<b>Total</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

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

**13. COVID-19**

The United States and the State of Ohio declared a state of emergency in March 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 ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**14. RESTATEMENT OF FUND BALANCE**

Fund balance in the Special Revenue have been restated for the year beginning January 1, 2022 as voided checks were added back to properly state the fund balance in the financial statements:

	<u>Special Revenue</u>
Fund Balance at December 31, 2021	\$ 1,133,656
Adjustments	29
Fund Balance at January 1, 2022	<b><u>\$ 1,133,685</u></b>

VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property Taxes	\$ 160,569	\$ 157,360	\$ -	\$ -	\$ 317,929
Municipal Income Tax	1,076,718	526,578	-	-	1,603,296
Intergovernmental	111,050	265,526	-	-	376,576
Charges for Services	181,458	288,334	-	-	469,792
Fines, Licenses, Permits	7,282	-	-	-	7,282
Earnings on Investments	1,773	-	-	-	1,773
Miscellaneous	173,840	3,030	-	-	176,870
<b>Total Cash Receipts</b>	<u>1,712,690</u>	<u>1,240,828</u>	<u>-</u>	<u>-</u>	<u>2,953,518</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	619,681	136,517	-	-	756,198
Public Health Services	1,655	-	-	-	1,655
Leisure Time Activities	-	54,935	-	-	54,935
Community Environment	4,878	-	-	-	4,878
Basic Utility Services	175,176	-	-	-	175,176
Transportation	-	221,372	-	-	221,372
General Government	458,554	-	-	-	458,554
Capital Outlay	437,371	160,173	-	177,406	774,950
Debt Service:					
Principal Retirement	-	206,830	-	-	206,830
Interest and Fiscal Charges	-	6,076	-	-	6,076
<b>Total Cash Disbursements</b>	<u>1,697,315</u>	<u>785,903</u>	<u>-</u>	<u>177,406</u>	<u>2,660,624</u>
<b>Excess of Receipts Over/(Under) Disbursements</b>	15,375	454,925	-	(177,406)	292,894
<b>Other Cash Financing Sources (Uses)</b>					
Debt Proceeds	-	93,626	-	-	93,626
Transfers In	-	100,257	-	137,551	237,808
Transfers Out	(237,808)	-	-	-	(237,808)
Other Financing Uses	(34,011)	-	-	-	(34,011)
<b>Total Other Cash Financing Sources (Uses)</b>	<u>(271,819)</u>	<u>193,883</u>	<u>-</u>	<u>137,551</u>	<u>59,615</u>
<b>Net Change in Fund Cash Balance</b>	(256,444)	648,808	-	(39,855)	352,509
<b>Fund Cash Balances, January 1, restated</b>	<u>734,654</u>	<u>484,848</u>	<u>14</u>	<u>40,680</u>	<u>1,260,196</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 478,210</u>	<u>\$ 1,133,656</u>	<u>\$ 14 #</u>	<u>\$ 825</u>	<u>\$ 1,612,705</u>

See notes to financial statements.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Enterprise Fund
	2021
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 1,299,672
Fines, Licenses and Permits	95,033
<b>Total Operating Cash Receipts:</b>	1,394,705
<b>Operating Cash Disbursements:</b>	
Personal Services	501,731
Contractual Services	327,933
Supplies and Materials	152,897
<b>Total Operating Cash Disbursements</b>	982,561
<b>Operating Income</b>	412,144
<b>Non-Operating Receipts/(Disbursements)</b>	
Capital Outlay	(1,315,435)
Other Debt Proceeds	1,072,066
Principal Retirement	(236,807)
Interest and Other Fiscal Charges	(9,239)
<b>Total Non-Operating Receipts/(Disbursements)</b>	(489,415)
<b>Net Change in Cash Fund Balance</b>	(77,271)
<b>Fund Cash Balances, January 1</b>	2,219,046
<b>Fund Cash Balances, December 31</b>	\$ 2,141,775

See notes to financial statements.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

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

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Strasburg, Tuscarawas County, (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, street repair and maintenance, refuse and compost services, park operations, fire protection services and police services. The Village contracts with Smith Ambulance Services, Inc. to provide emergency medical services.

The Village participates in jointly governed organizations. Note 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.

**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 balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis.

***Fund Accounting***

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

**Governmental Funds**

**General Fund**

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific 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 license tax money for constructing, maintaining, and repairing Village streets.

**Police Levy Fund** - This fund receives property and other local tax money for the operation of the Village police department.

**Fire Levy Fund** - This fund receives property and other local tax money for the operation of the Village's volunteer fire department.



**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 Fund:

**Fire Truck Debt Service Fund** – This fund is used to account for the payment of principal and interest on the Village’s fire truck loan.

**Capital Project Funds**

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

**Capital Improvement Fund** – This fund receives a portion of income tax revenue to account for the payment of capital improvements to the Village.

**Enterprise Funds**

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

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

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

**Water System Improvement Fund** – This fund receives a portion of water revenues to maintain and make improvements to the water system.

**Sewer System Improvement Fund** – This fund receives a portion of water revenues to maintain and make improvements to the sewer system.

***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 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 117-2-03(C) permit.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Process***

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

***Appropriations***

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

***Estimated Resources***

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

***Encumbrances***

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 3.

***Deposits and Investments***

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

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

***Property, Plant, and Equipment***

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

***Accumulated Leave***

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

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Balance***

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

**Nonspendable** – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**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* via formal action (resolution). The Village must adhere to these commitments unless 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*. Governmental funds other than general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

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

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

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

**3. BUDGETARY ACTIVITY**

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

<b>2021 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,326,698	\$ 1,712,690	\$ (614,008)
Special Revenue	1,330,000	1,434,711	104,711
Capital Projects	157,500	137,551	(19,949)
Enterprise	2,615,000	2,466,771	(148,229)
Total	\$ 6,429,198	\$ 5,751,723	\$ (677,475)

<b>2021 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,061,353	\$ 1,969,134	\$ 1,092,219
Special Revenue	1,814,848	911,588	903,260
Capital Projects	198,181	177,406	20,775
Enterprise	4,834,046	2,544,042	2,290,004
Total	\$ 9,908,428	\$ 5,602,170	\$ 4,306,258

Contrary to ORC 5705.41(D), the Village made expenditures prior to certification.

**4. DEPOSITS AND INVESTMENTS**

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

	2021
<b><i>Cash Management Pool</i></b>	
Demand deposits	\$ 2,034,448
Total Deposits	2,034,448
STAR Ohio	1,720,032
Total Investments	1,720,032
Total Carrying Amount of Deposits and Investments held in Pool	\$ 3,754,480
	2021
<b><i>Segregated Accounts – Not held in the Pool</i></b>	
Payroll Clearing Account (Not held in Pool)	\$ 10,630
Total Outside Accounts	\$ 10,630

The Village has a separate payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. . The expenditures included in the accompanying financial statements reflect gross payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding \$10,630 in unremitted employee payroll withholdings.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

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

**4. DEPOSITS AND INVESTMENTS (Continued)**

**Deposits:** Deposits are either 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.

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

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by 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.

**6. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1.5 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.

The Village's income tax of 1.5 percent is comprised of not more than 75 percent of the net available income tax being allocated to the General Fund, at least 15 percent of the net available income tax being allocated to the Capital Projects Fund and at least 10 percent of the net available income tax being allocated to the Park Fund.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Law enforcement liability;
- Public Officials liability;
- Employment practices liability; and
- Errors and omissions.

The Village provides health insurance to full-time employees through Tuscarawas County (County). The Village is invoiced their monthly premiums and the premiums are paid to the County. All risk transfers to the County.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

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

**8. DEFINED BENEFIT PENSION PLAN**

*Ohio Public Employees Retirement System*

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

The Ohio Revised Code also prescribes contribution rates. For 2021, OPERS members contributed 10.00% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2021.

*Ohio Police and Fire Retirement*

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25%. The Village contributed to OP&F an amount equal to 24.00% of full-time fire fighters wages and 19.50% of full-time police officers wages. The Village has paid all contributions required through December 31, 2021.

*Social Security*

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

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

**9. POSTEMPLOYMENT BENEFITS**

Both OPERS and OP&F offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. 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.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

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

**10. DEBT**

Debt outstanding at December 31, 2021 was as follows:

	2021 Principal	%
OWDA – WTTP Improvements Loan #3478	\$ 242,046	2.20
OWDA – Wooster Avenue Water Line #9246	1,072,066	1.18-1.51
2020 Ambulance Loan	50,900	3.69
2020 Cruiser Loan	37,796	4.01
Total	\$ 1,402,808	

The Village was approved for a \$3,963,752 loan (#3478) from OWDA for a project upgrading the wastewater treatment plant project in 1998. Semi-annual payments are made from the Sewer Fund, with the final payment due January 1, 2023.

The Village was approved for a \$1,185,033 loan (#9246) from OWDA for a project to improve Wooster Avenue Water Lines in 2021. Amount drawn through December 31, 2021 is \$1,072,066. The project is no complete and no amortization schedule has been established.

In 2020, the Village enter into an agreement with Kansas State Bank for a Governmental Obligation Contract in the amount of \$75,000 to purchase an ambulance. It is to be paid over three years from the Fire Levy Fund. This loan was not included in the debt schedule ending December 31, 2020.

In 2020, the Village enter into an agreement with Kansas State Bank for a Governmental Obligation Contract in the amount of \$50,000 to purchase a police cruiser. It is to be paid over four years from the Fire Levy Fund. This loan was not included in the debt schedule ending December 31, 2020.

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

Year	OWDA 3478	Ambulance Loan	Cruiser Loan
2022	\$ 246,047	\$ 26,867	\$ 13,618
2023	-	26,867	13,618
2024	-	-	13,618
Total	\$ 246,047	\$ 53,734	\$ 40,854

**11. JOINTLY GOVERNED ORGANIZATIONS**

*Tuscarawas County Regional Planning Commission (Commission)*

The Village is associated with the Tuscarawas County Regional Planning Commission, (the Commission) as a Jointly Governed Organization. The Commission is statutorily created political subdivision of the state. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member’s control over the Commission is limited to its representation on the board. The Commission make studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical, and governmental characteristics, functions and services of the county. The Village has no responsibility for any of the Commissions liabilities. Complete financial statements can be obtained from the Commission.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

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

**11. JOINTLY GOVERNED ORGANIZATIONS (Continued)**

*Tuscarawas County Tax Incentive Review Council*

The Tuscarawas County Tax Incentive Review Council (TCTIRC) is a jointly governed organization, created as a regional council of governments pursuant to Section 5705.62 of the Ohio Revised Code. TCTIRC has 44 members, consisting of 3 members appointed by the County Commissioners, 18 members appointed by municipal corporations, 14 members appointed by township trustees, 1 member from the county auditor’s office and 8 members appointed by boards of education located within the county. TCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. This body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the TCTIRC can make written recommendations to the legislative authority, which approved the agreement. There is no cost associated with being a member of this TCTIRC. The continued existence of the TCTIRC is not dependent on the Village’s continued participation and no measurable equity interest exists.

During 2021, no monies were paid to the TCTIRC from the Village.

The Village does not retain an ongoing financial interest or an ongoing financial responsibility with the TCTIRC.

*Strasburg-Franklin Joint Economic Development District*

The Village participates in, and is fiscal agent for, the Strasburg-Franklin Joint Economic Development District (JEDD). The JEDD is a joint venture between the Village and Franklin Township, created to facilitate economic development and to preserve jobs and employment opportunities. A five-member Board of Directors has been established to govern the JEDD, including two representatives appointed by the Village.

**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 expendable 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 facilities effective cash planning and control. At year end, the balances of those 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:					
Corpus	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Encumb.	-	125,685	-	-	125,685
<b>Total</b>	<u>\$ -</u>	<u>\$ 125,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,685</u>

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



**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

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

**13. COVID-19**

The United States and the State of Ohio declared a state of emergency in March 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 ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**14. RESTATEMENT OF FUND BALANCE**

Fund balance in the General Fund have been restated for the year beginning January 1, 2021 as voided checks were added back to properly state the fund balance in the financial statements:

	General Fund
Fund Balance at December 31, 2020	\$ 734,566
Adjustments	88
Fund Balance at January 1, 2021	<u>\$ 734,654</u>

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Village of Strasburg  
Tuscarawas County  
224 N. Bodner Avenue  
Strasburg, Ohio 44680

To the Village Council:

We have audited, in accordance with auditing standards general accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and proprietary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements of the Village of Strasburg, Tuscarawas County (the Village) and have issued our report thereon dated May 17, 2023, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Village.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Village of Strasburg'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 opinion 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2022-001 that we consider to be a material weakness.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Village of Strasburg's financial statements are free of 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as item 2022-002.

***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.

***Wilson, Phillips & Agin, CPA's, Inc.***

Zanesville, Ohio

May 17, 2023

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

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

**FINDING NUMBER 2022-001**

**Material Weakness**

All public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transaction, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

As a result of audit procedures, errors were noted that required reclassification to the financial statement as follows and all items where applicable were posted to the financial statements and accounting records:

- In 2022, an adjustment was made to increase Debt Proceeds and Capital Outlay in the amount of \$112,300 for the purchase of a new ambulance in the General Fund.
- In 2022 a reclassification of \$26,867 was made to decrease Capital Outlay and increase Principal Retirement of \$24,989 and \$1,878 for Interest and Fiscal Charges in the Fire Levy Fund and a reclassification of \$13,618 was made to decrease Capital Outlay and increase Principal Retirement of \$12,109 and \$1,509 for Interest and Fiscal Charges in the Police Levy Fund to show debt payments.
- In 2022 a reclassification of \$20,659 to decrease Charges for Services and increase Debt Proceeds in the Water System Improvement Fund.
- In 2021, a reclassification of \$2,401 was made to increase Miscellaneous Revenue and decrease Debt Proceeds in the JEDD Fund.
- In 2021, a reclassification of \$40,485 was made to decrease Capital Outlay and increase Principal Retirement by \$35,949 and increase Interest and Fiscal Charges by \$4,536 in the JEDD fund to properly show debt payments.
- In 2021, a reclassification of \$1,072,066 to decrease Charges for Services and increase Debt Proceeds in the Water System Improvement Fund.

Sound financial reporting is the responsibility of the Village and is essential to help ensure the information provided to the readers of financial statements is complete and accurate. To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures to identify and correct errors and omissions. In addition, the Village should review the financial statements and notes prior to submission for audit.

Client Response: We received no response from client.

**FINDING NUMBER 2020-002**

**Noncompliance – Certification of Funds**

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

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

**FINDING NUMBER 2022-002 (Continued)**

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- If the fiscal officer can certify that both at the time that the contract or order was made ("then") and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has 30 days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of the expenditures by the Village.
- Blanket Certificates. Fiscal officers may prepare "blanket" certificates if the Village has approved their use and established maximum amounts.
- Super Blanket Certificates. The Village may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operation expense. This certification is not to extend beyond the current year. More than one so-called "super blanket" certificate may be outstanding at a particular time for any line item appropriation.

The Village did not certify the availability of funds prior to the purchase commitment for 42% of expenditures tested. For these items the Village also did not prepare blanket certificates, super blankets certificates or then and now certificates in accordance with the Ohio Revised Code. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

We recommend the Village certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper code, to reduce available appropriations.

Client Response: We received no response from client.

**VILLAGE OF STRASBURG  
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2020-001	Material Weakness Misclassifications of revenues and expenses	No	Not Corrected: Cited in current report as finding 2022-001
2020-002	Noncompliance ORC 5705.41(D) payments made prior to certification.	No	Not Corrected: Cited in current report as finding 2022-002

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF STRASBURG**

**TUSCARAWAS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 7/27/2023**

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)