



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**VILLAGE OF STRATTON
JEFFERSON COUNTY**

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

OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Stratton
136 Second Avenue
Stratton, OH 43961

We have reviewed the *Independent Auditor's Report* of the Village of Stratton, Jefferson County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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.

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 Stratton 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

November 07, 2023

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**VILLAGE OF STRATTON
JEFFERSON COUNTY
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INDEPENDENT AUDITOR'S REPORT

Village of Stratton
Jefferson County
136 Second Ave
Stratton, Ohio 43961

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Stratton, Jefferson County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental fund type 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 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 the Village, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2023, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

September 22, 2023

**VILLAGE OF STRATTON
JEFFERSON COUNTY**

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

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ 1,203,624	\$ -	\$ -	\$ 1,203,624
Municipal Income Tax	438,032	-	-	438,032
Intergovernmental	163,019	173,833	-	336,852
Charges for Services	3,174	13,572	-	16,746
Earnings on Investments	8,742	178	-	8,920
Miscellaneous	12,040	-	-	12,040
<i>Total Cash Receipts</i>	<u>1,828,631</u>	<u>187,583</u>	<u>-</u>	<u>2,016,214</u>
Cash Disbursements				
Current:				
Security of Persons and Property	81,240	-	-	81,240
Leisure Time Activities	142,214	-	-	142,214
Basic Utility Services	124,767	51,461	-	176,228
Transportation	50,556	12,677	-	63,233
General Government	1,385,309	14,518	-	1,399,827
Capital Outlay	138,760	189,107	-	327,867
<i>Total Cash Disbursements</i>	<u>1,922,846</u>	<u>267,763</u>	<u>-</u>	<u>2,190,609</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(94,215)</u>	<u>(80,180)</u>	<u>-</u>	<u>(174,395)</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds	-	45,360	-	45,360
Transfers In	-	37,889	-	37,889
Transfers Out	(37,889)	-	-	(37,889)
Other Financing Sources	30,255	-	-	30,255
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(7,634)</u>	<u>83,249</u>	<u>-</u>	<u>75,615</u>
<i>Net Change in Fund Cash Balances</i>	<u>(101,849)</u>	<u>3,069</u>	<u>-</u>	<u>(98,780)</u>
<i>Fund Cash Balances, January 1</i>	<u>358,055</u>	<u>63,387</u>	<u>3,896</u>	<u>425,338</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 256,206</u>	<u>\$ 66,456</u>	<u>\$ 3,896</u>	<u>\$ 326,558</u>

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

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Stratton, Jefferson County (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and law of the State of Ohio. The Village has an elected Mayor, elected Clerk, elected Treasurer, and an appointed Village Administrator. Each publicly-elected member of the six-member Council serves on 6-10 of the Village's 14 committees. The Village also employs a Solicitor. The Village has a Board of Public Affairs which consists of three elected members. As of April 1, 2015, the Village's Mayors Court has been declared inactive. The Village provides water, sewer, and refuse disposal to its residents. The Village provides park operation, police, fire, and first responder services to its residents and visitors as well. Police protection is paid from the General Fund and the Village Fire Department is volunteer.

Public Entity Risk Pools

The Village participates in a public entity risk pool. Note 6 to the financial statements provides further information for this entity. The organization is:

Public Entities Pool of Ohio (PEP) – a local government risk pool that offers comprehensive liability and property coverages specifically tailored to meet the needs of political subdivisions throughout the state of Ohio and provide them with an alternative to traditional insurance.

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, which is 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 (SCM&R) – This fund receives the portion of the gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village. This fund also receives a portion of the monthly interest earned from US Bank.

State Highway Improvement Fund (SHIF) - This fund receives gasoline tax and motor vehicle license registration fees to be used to construct, maintain, and repair State Route 7 in the Village. This fund also receives a portion of the monthly interest earned from US Bank.

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Water Fund – This fund receives money from the sale of water to Village residents and businesses. It also receives money from the General Fund in the form of transfers due to the Water Plant not being self-sufficient. The money generated is used for day to day operations of the municipal Water Plant.

Sewer Fund - This fund received money from the sale of sewage collection from the Village residents and businesses. It also receives money from the General Fund in the form of transfers due to the Waste Water Treatment Plant not being self-sufficient. They money generated is used for day to day operations of the municipal Waste Water Treatment Plant.

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 funds:

Project #2 Local Work Fund – This fund was originally created when the Waste Water Treatment Plant Project was created. There is money left in the fund that will need to be transferred by court order due to not being needed for the project anymore.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund 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. Appropriations lapse at year end. The Village passes a Temporary Appropriation measure before January 1st that covers the first three months of the subsequent year. Annual appropriations must be passed by the Village Council prior to March 31st of the year for which the appropriations are intended.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The Jefferson 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.

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

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.

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,681,968	\$ 1,858,886	\$ 176,918
Special Revenue	328,996	270,832	(58,164)
Capital Projects	0	0	0
Total	\$ 2,010,964	\$ 2,129,718	\$ 118,754

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,040,023	\$1,960,735	\$79,288
Special Revenue	392,383	267,763	124,620
Capital Projects	3,896	0	3,896
Total	\$2,436,302	\$2,228,498	\$207,804

Note 4 – Deposits and Investments

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

	2022
Demand deposits	\$ 42,327
Total deposits	42,327
STAR Ohio	284,231
Total investments	284,231
Total Deposits and Investments	\$ 326,558

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Village is holding \$4,241 in unremitted employee payroll withholdings.

Deposits

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

Investments

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

Note 5 – Taxes

Property Taxes

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

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

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

Income Taxes

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

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

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 - 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:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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 contribution allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0% during calendar year 2022. OP&F contributes 0.5% to fund these benefits.

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Postemployment Benefits (Continued)

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

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

Note 9 – Debt

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

	Principal	Interest Rate
Ohio Public Works Commission #CN28Y	\$ 45,360	0%

In 2022 the Village obtained a loan through Ohio Public Works Commission for the purpose of replacing the Village’s Brine Tank. It is an interest free loan that will be repaid in semiannual installments of \$756 over 30 years.

Amortization

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

Year Ending December 31:	OPWC Loan
2023	\$ 756
2024	1,512
2025	1,512
2026	1,512
2027	1,512
2028-2032	7,560
2033-2037	7,560
2038-2042	7,560
2043-2047	7,560
2048-2052	7,560
2053-2057	756
Total	\$ 45,360

Note 10 – 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 Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Fund Balances

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. The Village had no outstanding encumbrances at December 31, 2022.

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

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**VILLAGE OF STRATTON
JEFFERSON COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 821,469	\$ -	\$ -	\$ 821,469
Municipal Income Tax	358,855	-	-	358,855
Intergovernmental	184,976	28,500	-	213,476
Charges for Services	3,205	13,688	-	16,893
Earnings on Investments	358	7	-	365
Miscellaneous	8,880	-	-	8,880
<i>Total Cash Receipts</i>	<u>1,377,743</u>	<u>42,195</u>	<u>-</u>	<u>1,419,938</u>
Cash Disbursements				
Current:				
Security of Persons and Property	82,303	-	-	82,303
Leisure Time Activities	145,031	-	-	145,031
Basic Utility Services	122,295	39,643	-	161,938
Transportation	83,948	342	-	84,290
General Government	1,112,060	14,403	-	1,126,463
Capital Outlay	24,568	-	-	24,568
<i>Total Cash Disbursements</i>	<u>1,570,205</u>	<u>54,388</u>	<u>-</u>	<u>1,624,593</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(192,462)</u>	<u>(12,193)</u>	<u>-</u>	<u>(204,655)</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	25,955	-	25,955
Transfers Out	(25,955)	-	-	(25,955)
Other Financing Sources	11,064	-	-	11,064
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(14,891)</u>	<u>25,955</u>	<u>-</u>	<u>11,064</u>
<i>Net Change in Fund Cash Balances</i>	<u>(207,353)</u>	<u>13,762</u>	<u>-</u>	<u>(193,591)</u>
<i>Fund Cash Balances, January 1</i>	<u>565,408</u>	<u>49,625</u>	<u>3,896</u>	<u>618,929</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 358,055</u>	<u>\$ 63,387</u>	<u>\$ 3,896</u>	<u>\$ 425,338</u>

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

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Stratton, Jefferson County (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and law of the State of Ohio. The Village has an elected Mayor, elected Clerk, elected Treasurer, and an appointed Village Administrator. Each publicly-elected member of the six-member Council serves on 6-10 of the Village's 14 committees. The Village also employs a Solicitor. The Village has a Board of Public Affairs which consists of three elected members. As of April 1, 2015, the Village's Mayors Court has been declared inactive. The Village provides water, sewer, and refuse disposal to its residents. The Village provides park operation, police, fire, and first responder services to its residents and visitors as well. Police protection is paid from the General Fund and the Village Fire Department is volunteer.

Public Entity Risk Pools

The Village participates in a public entity risk pool. Note 7 to the financial statements provides further information for this entity. The organization is:

Public Entities Pool of Ohio (PEP) – a local government risk pool that offers comprehensive liability and property coverages specifically tailored to meet the needs of political subdivisions throughout the state of Ohio and provide them with an alternative to traditional insurance.

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, which is 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 (SCM&R) – This fund receives the portion of the gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village. This fund also receives a portion of the monthly interest earned from US Bank.

State Highway Improvement Fund (SHIF) - This fund receives gasoline tax and motor vehicle license registration fees to be used to construct, maintain, and repair State Route 7 in the Village. This fund also receives a portion of the monthly interest earned from US Bank.

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Water Fund – This fund receives money from the sale of water to Village residents and businesses. It also receives money from the General Fund in the form of transfers due to the Water Plant not being self-sufficient. The money generated is used for day to day operations of the municipal Water Plant.

Sewer Fund - This fund received money from the sale of sewage collection from the Village residents and businesses. It also receives money from the General Fund in the form of transfers due to the Waste Water Treatment Plant not being self-sufficient. The money generated is used for day to day operations of the municipal Waste Water Treatment Plant.

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 funds:

Project #2 Local Work Fund – This fund was originally created when the Waste Water Treatment Plant Project was created. There is money left in the fund that will need to be transferred by court order due to not being needed for the project anymore.

Basis of Accounting

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

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

Budgetary Process

The Ohio Revised Code requires that each fund 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. Appropriations lapse at year end. The Village passes a Temporary Appropriation measure before January 1st that covers the first three months of the subsequent year. Annual appropriations must be passed by the Village Council prior to March 31st of the year for which the appropriations are intended.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The Jefferson 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.

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

A summary of 2021 budgetary activity appears in Note 4.

Deposits and Investments

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

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

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.

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

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

Note 3 – Compliance

Contrary to Ohio law, appropriation authority exceeded estimated resources in the General, Street Construction, Maintenance and Repair, State Highway, Water and Sewer Funds by \$361,571, \$7,299, \$18,939, \$34,330, and \$31,626, respectively.

Note 4 – 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	\$ 838,429	\$ 1,388,807	\$ 550,378
Special Revenue	13,762	68,150	54,388
Capital Projects	0	0	0
Total	\$ 852,191	\$ 1,456,957	\$ 604,766

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,765,094	\$ 1,596,160	\$ 168,934
Special Revenue	155,580	54,388	101,192
Debt Service	313	0	313
Capital Projects	3,897	0	3,897
Total	\$ 1,924,884	\$ 1,650,548	\$ 274,336

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 5 – Deposits and Investments

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

	2021
Demand deposits	<u>\$ (25,022)</u>
Total deposits	<u>(25,022)</u>
STAR Ohio	<u>450,360</u>
Total investments	<u>450,360</u>
Total Deposits and Investments	<u><u>\$ 425,338</u></u>

We noted the Village had outstanding checks of \$101,974 at December 31, 2021. The Village transferred money from their Star Ohio account to cover their outstanding obligations.

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding \$4,281 in unremitted employee payroll withholdings.

Deposits

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

Investments

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

Note 6 – 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.

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

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

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 6 – Taxes (Continued)

Income Taxes

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

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

Note 7 - 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:

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

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

The Village's 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.

Village of Stratton, Ohio
Jefferson County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plans (Continued)

Ohio Police and Fire Retirement System (Continued)

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

Note 9 – 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 contribution allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0% during calendar year 2021. OP&F contributes 0.5% to fund these benefits.

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

Note 10 – 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 11 – Fund Balances

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. The Village had no outstanding encumbrances at December 31, 2021.

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

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

Village of Stratton
Jefferson County
136 Second Ave
Stratton, Ohio 43961

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Stratton, Jefferson County, (the Village) and have issued our report thereon dated September 22, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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 certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2022-002 and 2022-003.

Village's Response to Findings

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

Purpose of This Report

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

September 22, 2023

VILLAGE OF STRATTON
JEFFERSON COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED 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

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- Municipal Income Tax was classified as Property and Other Local Taxes instead of being presented as a separate line item on the financial statements in 2022 and 2021;
- The Village did not record Debt Proceeds, OPWC passthrough receipts (Intergovernmental), and the corresponding Capital Outlay expenditures in the Street Construction, Maintenance, and Repair Fund in 2022; and
- A prior year audit adjustment was mistakenly recorded as Transfers In in the General Fund and Transfers Out in the Debt Service Fund rather than as adjustments to beginning fund balances.

Not posting receipts and or classifying fund balances accurately resulted in the financial statements requiring several reclassifications and adjusting entries. The financial statements reflect all reclassifications and adjustments. The Village has made these adjustments to their accounting system.

We also updated the notes to the financial statements for omitted information and to agree to financial statement amounts.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We recommend the Fiscal Officer refer to the Ohio Village Handbook for guidance to determine the proper establishment of receipt accounts and posting of receipts.

Officials' Response – Fiscal Officer will be more aware and report accordingly.

FINDING NUMBER 2022-002

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Village inappropriately recorded \$14,518 and \$14,403 of American Rescue Plan Act receipts and disbursements in the General Fund in 2022 and 2021, respectively. Given the source of the revenue, this should have been recorded in a separate Special Revenue American Rescue Plan Act Fund. Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.

**VILLAGE OF STRATTON
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2022-002 (Continued)

Ohio Rev. Code § 5705.10(D) (Continued)

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

Officials' Response – The Fiscal Officer was not aware the Village needed to have a separate fund. A binder was kept by the Treasurer with all the pertaining information.

FINDING NUMBER 2022-003

Noncompliance

Appropriations Exceeding Estimated Resources

Ohio Rev. Code § 5705.39 states in part that the total appropriations from each fund should not exceed the total estimated revenue. The following funds had appropriations exceeding estimated receipts for the year ended December 31, 2021:

	Estimated Receipts including Unencumbered Fund Balance	Total Appropriations	Variance
At December 31, 2021:			
General Fund	\$1,403,523	\$1,765,094	\$361,571
Street Construction, Maintenance and Repair Fund	\$42,218	\$49,517	\$7,299
State Highway	\$21,169	\$40,108	\$18,939
Water Fund	\$0	\$34,330	\$34,330
Sewer Fund	\$0	\$31,626	\$31,626

Appropriating more money than expected or actually received could lead to negative fund balances and monies being used to cover expenses being charged to inappropriate funds or line items. It could also lead to commitments being made without sufficient funds to pay for those commitments.

Council should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the Village is complying with applicable sections.

Officials' Response – Fiscal Officer will be more aware and report accordingly.

**VILLAGE OF STRATTON
JEFFERSON COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Financial Reporting	Not Corrected	Repeated as Finding 2022-001
2020-002	Ohio Rev. Code § 5705.10(D)	Not Corrected	Repeated as Finding 2022-002
2020-003	Appropriations Exceeding Estimated Resources	Not Corrected	Repeated as Finding 2022-003

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF STRATTON

JEFFERSON 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 11/21/2023

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