

VILLAGE OF NORTH BALTIMORE

WOOD COUNTY

Regular Audit

For the Years Ended December 31, 2024 and 2023





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Village Council
Village of North Baltimore
205 North Main Street
North Baltimore, Ohio 45872

We have reviewed the *Independent Auditor's Report* of the Village of North Baltimore, Wood County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2024. 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 North Baltimore is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L. Ridenbaugh".

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

October 02, 2025

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Village of North Baltimore
Wood County
For the Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Village of North Baltimore
Wood County
205 North Main Street
North Baltimore, Ohio 45872

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 North Baltimore, Wood County, Ohio (the Village), which comprise the cash balances, receipts and disbursements for each governmental, proprietary and fiduciary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental, proprietary and fiduciary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2024 and 2023, or the changes in financial position or cash flows, thereof for the years then ended.

Basis for Opinions

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

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

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

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 June 12, 2025 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 12, 2025

Village of North Baltimore, Ohio
Wood County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2024

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$135,619	\$159,926	\$0	\$295,545
Municipal Income Tax	1,496,843	0	0	1,496,843
Intergovernmental	90,280	251,246	6,381	347,907
Special Assessments	0	167,102	0	167,102
Charges for Services	445,664	1,925	0	447,589
Licenses, Permits and Fees	21,880	0	0	21,880
Fines, Forfeitures and Settlements	19,836	11,461	0	31,297
Earnings on Investments	488,537	0	0	488,537
Miscellaneous	9,462	120,270	0	129,732
<i>Total Cash Receipts</i>	<u>2,708,121</u>	<u>711,930</u>	<u>6,381</u>	<u>3,426,432</u>
Cash Disbursements				
Current:				
Security of Persons and Property	1,749,952	161,054	0	1,911,006
Public Health Services	46,516	2,500	0	49,016
Leisure Time Activities	1,210	55,716	0	56,926
Community Environment	22,988	7,798	0	30,786
Basic Utility Services	0	3	0	3
Transportation	0	735,387	0	735,387
General Government	295,627	0	0	295,627
Capital Outlay	0	0	14,521	14,521
<i>Total Cash Disbursements</i>	<u>2,116,293</u>	<u>962,458</u>	<u>14,521</u>	<u>3,093,272</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>591,828</u>	<u>(250,528)</u>	<u>(8,140)</u>	<u>333,160</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	110,000	70,000	180,000
Transfers Out	(180,000)	0	0	(180,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(180,000)</u>	<u>110,000</u>	<u>70,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	411,828	(140,528)	61,860	333,160
<i>Fund Cash Balances, January 1</i>	<u>1,534,752</u>	<u>1,437,690</u>	<u>232,298</u>	<u>3,204,740</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,946,580</u>	<u>\$1,297,162</u>	<u>\$294,158</u>	<u>\$3,537,900</u>

See accompanying notes to the basic financial statements

Village of North Baltimore, Ohio
Wood County
Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2024

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$3,178,028
Miscellaneous	171,883
<i>Total Operating Cash Receipts</i>	<u>3,349,911</u>
Operating Cash Disbursements	
Personal Services	534,808
Employee Fringe Benefits	262,694
Contractual Services	637,683
Supplies and Materials	438,349
Other	1,739
<i>Total Operating Cash Disbursements</i>	<u>1,875,273</u>
<i>Operating Income (Loss)</i>	<u>1,474,638</u>
Non-Operating Receipts (Disbursements)	
Loans Issued	2,399,210
Intergovernmental Receipts	18,716
Capital Outlay	(2,506,280)
Principal Retirement	(438,075)
Interest and Other Fiscal Charges	(370,164)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(896,593)</u>
<i>Income (Loss) before Transfers</i>	578,045
Transfers In	95,625
Transfers Out	(95,625)
<i>Net Change in Fund Cash Balances</i>	578,045
<i>Fund Cash Balances, January 1</i>	<u>8,564,642</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$9,142,687</u></u>

See accompanying notes to the basic financial statements

Village of North Baltimore, Ohio

Wood County

*Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)*

Fiduciary Fund Type

For the Year Ended December 31, 2024

	<u>Custodial</u>
Additions	
Property and Other Local Taxes Collected for Distribution	\$108,400
Fines, Forfeitures and Settlements for Distribution	26,201
Deposits Received	<u>14,000</u>
<i>Total Additions</i>	<u>148,601</u>
Deductions	
Distributions as Fiscal Agent	10,193
Distributions to Other Governments	24,380
Distributions to Other Funds (Primary Gov't)	101,935
Distributions of Deposits	24,000
Other Distributions	<u>93</u>
<i>Total Deductions</i>	<u>160,601</u>
<i>Net Change in Fund Balances</i>	(12,000)
<i>Fund Cash Balances, January 1</i>	<u>18,790</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$6,790</u></u>

See accompanying notes to the basic financial statements

Village of North Baltimore, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of North Baltimore (the Village), Wood County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, and park operations. The Village also provides police services. The Village appropriates general fund money to support a volunteer fire department and full-time EMS department.

Public Entity Risk Pool

The Village participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 6 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Coronavirus Relief Fund The coronavirus relief fund accounts for and reports money received from the State or County coronavirus relief fund and is used for an approved construction project.

Street Levy Fund This fund receives property, rollback, and homestead tax levy funds in order to pave and reconstruct Village streets.

Village of North Baltimore, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

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:

Water Capital Improvement Fund This fund receives money from utility services and is used to improve on capital projects involving the water utilities.

Sewer Capital Improvement Fund This fund receives money from utility services and is used to improve on capital projects involving the sewer utilities

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

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

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

Fiduciary Funds Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature are used to report fiduciary activities that are not required to be reported in a trust fund. The Village’s three custodial funds account for: 1) the Mayor’s Court, which receives money from fines and forfeitures; 2) for deposits held for fire damaged structures which are refunded after satisfactory repairs are made; and 3) for the collection of income taxes for the Henry Township/JEDD.

Basis of Accounting

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

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

Village of North Baltimore, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process

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

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

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

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

A summary of 2024 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.

The Village values U.S. Treasury Notes at cost. 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

Village employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Village of North Baltimore, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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 (ordinance or resolution). The Village must adhere to these commitments unless the Council amends the ordinance or resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,954,633	\$ 2,708,121	\$ 753,488
Special Revenue	670,695	821,930	151,235
Capital Projects	40,000	76,381	36,381
Enterprise	5,524,835	5,863,462	338,627

Village of North Baltimore, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 3 – Budgetary Activity (Continued)

2024 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,327,231	\$ 2,296,783	\$ 30,448
Special Revenue	1,293,099	1,100,764	192,335
Capital Projects	88,500	14,521	73,979
Enterprise	6,635,013	5,522,270	1,112,743

Note 4 – Deposits and Investments

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

	2024
Demand deposits	\$ 97,187
Total deposits	97,187
STAR OHIO	7,399,578
U.S. Treasury Notes	5,190,612
Total investments	12,590,190
Total deposits and investments	\$12,687,377

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, 2024, the Village does not have any 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

The Federal Reserve holds the Village’s U.S. Treasury Notes in book-entry form, in the name of the Village’s financial institution. The financial institution maintains records identifying the Village as owner of these securities.

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

Village of North Baltimore, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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 1% 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 has a contract with City of Cleveland – Central Collection Agency to collect income tax on behalf of the Village.

Note 6 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Village of North Baltimore, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 6 – Risk Management (Continued)

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, 2023 (latest information available):

	<u>2023</u>
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

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, 2024.

Ohio Police and Fire Retirement System

The Village’s certified full-time Fire Fighter/Paramedics and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include post-retirement healthcare and survivor and disability benefits.

Village of North Baltimore, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 7 – Defined Benefit Pension Plans (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 and 24% of full-time fire fighter/paramedics’ wages. The Village has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$160,000	4.51%
OWDA Loan - #9455	2,314,558	0.34%
OWDA Loan - #10230	4,041,600	2.25%
USDA Loan #1	3,542,000	2.75%
USDA Loan #3	4,136,000	2.75%
USDA Loan #4	2,947,000	2.75%
OPWC - CE10T	33,155	0.00%
OPWC - CT25M	18,084	0.00%
OPWC - CE42P	100,940	0.00%
OPWC - CE36/37U	50,437	0.00%
Total	\$17,343,774	

The Village has one outstanding general obligation bond issue at December 31, 2024. It is backed by the full faith and credit of the Village of North Baltimore and will be paid from the Enterprise Fund through user fees. Semi-annual payments are due on this obligation.

Village of North Baltimore, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 9 – Debt (Continued)

The Village has two loans from the Ohio Water Development Authority with an interest rate of 0.34% and 2.25%. These loans were obtained to make improvements to the Village water system construct a new water tower. Semi-annual payments are due on the loan including interest. No amortization schedule is available for OWDA loan #10230.

The Village has four loans from the Ohio Public Works Commission. These loans have interest rates of 0.00%. These loans we obtained to make Water Treatment Plant improvements, and to help finance the Sewer Separation Project, respectively.

The Village has three loans from the United States Department of Agriculture. These loans have interest rates of 2.75% each. These loans were obtained to finance the Sewer Separation Project. Principal and interest payments are due annually.

Amortization

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

Year Ending December 31:	OPWC Loans	OWDA Loans	General Obligation Bonds	USDA Loans
2025	\$ 9,424	\$ 42,640	\$ 57,360	\$ 549,187
2026	9,424	85,280	60,060	549,120
2027	9,424	85,280	57,530	547,860
2028	9,424	85,280	-	550,435
2029	9,424	85,280	-	548,735
2030 - 2034	47,119	426,399	-	2,745,190
2035 - 2039	47,119	426,399	-	2,745,415
2040 - 2044	45,108	426,399	-	2,745,833
2045 - 2049	15,162	426,399	-	2,745,685
2050 - 2054	988	341,118	-	1,646,542
Total	<u>\$ 202,616</u>	<u>\$ 2,430,474</u>	<u>\$ 174,950</u>	<u>\$ 15,374,002</u>

Note 10 – Contingent Liabilities

The Village may be a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village’s financial condition.

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. At year end the balances of these amounts were as follows:

Village of North Baltimore, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 11 – Fund Balances (Continued)

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$ 490	\$ 138,306	\$297,348	\$ 436,144

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

Village of North Baltimore

Wood County

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

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 180,220	\$ 158,157	\$ -	\$ -	\$ 338,377
Municipal Income Tax	1,489,125	-	-	-	1,489,125
Intergovernmental	16,740	285,970	-	-	302,710
Special Assessments	-	162,006	-	-	162,006
Charges for Services	391,670	4,445	-	-	396,115
Fines, Licenses and Permits	32,361	760	-	-	33,121
Earnings on Investments	338,938	-	-	-	338,938
Miscellaneous	9,432	1,250	-	72,804	83,486
<i>Total Cash Receipts</i>	<u>2,458,486</u>	<u>612,588</u>	<u>-</u>	<u>72,804</u>	<u>3,143,878</u>
Cash Disbursements					
Current:					
Security of Persons and Property	1,522,730	64,052	-	-	1,586,782
Public Health Services	47,813	-	-	-	47,813
Leisure Time Activities	-	51,289	-	-	51,289
Community Environment	3,343	1,880	-	-	5,223
Transportation	-	416,797	-	-	416,797
General Government	280,962	2,425	-	-	283,387
Capital Outlay	-	10,000	-	-	10,000
<i>Total Cash Disbursements</i>	<u>1,854,848</u>	<u>546,443</u>	<u>-</u>	<u>-</u>	<u>2,401,291</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>603,638</u>	<u>66,145</u>	<u>-</u>	<u>72,804</u>	<u>742,587</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	-	-	-	15,153	15,153
Transfers In	-	113,500	-	60,000	173,500
Transfers Out	(173,500)	-	-	-	(173,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(173,500)</u>	<u>113,500</u>	<u>-</u>	<u>75,153</u>	<u>15,153</u>
<i>Net Change in Fund Cash Balances</i>	<u>430,138</u>	<u>179,645</u>	<u>-</u>	<u>147,957</u>	<u>757,740</u>
<i>Fund Cash Balances, January 1, restated</i>	<u>1,104,614</u>	<u>1,247,511</u>	<u>10,534</u>	<u>84,341</u>	<u>2,447,000</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,534,752</u>	<u>\$1,427,156</u>	<u>\$10,534</u>	<u>\$232,298</u>	<u>\$3,204,740</u>

See accompanying notes to the financial statements

Village of North Baltimore
Wood County
Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2023

	Enterprise
Operating Cash Receipts	
Charges for Services	\$3,035,361
Miscellaneous	42,330
	3,077,691
<i>Total Operating Cash Receipts</i>	<i>3,077,691</i>
Operating Cash Disbursements	
Personal Services	487,880
Employee Fringe Benefits	265,748
Contractual Services	388,360
Supplies and Materials	370,667
Other	499
	1,513,154
<i>Total Operating Cash Disbursements</i>	<i>1,513,154</i>
<i>Operating Income (Loss)</i>	<i>1,564,537</i>
Non-Operating Receipts (Disbursements)	
Loans Issued	1,735,844
Sale of Capital Assets	7,700
Miscellaneous Receipts	171,043
Capital Outlay	(1,899,754)
Principal Retirement	(359,906)
Interest and Other Fiscal Charges	(321,896)
	(666,969)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(666,969)</i>
<i>Income (Loss) before Transfers</i>	<i>897,568</i>
Transfers In	95,625
Transfers Out	(95,625)
	897,568
<i>Net Change in Fund Cash Balances</i>	<i>897,568</i>
<i>Fund Cash Balances, January 1</i>	<i>7,667,074</i>
<i>Fund Cash Balances, December 31</i>	<i>\$8,564,642</i>

See accompanying notes to the financial statements

Village of North Baltimore

Wood County

*Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)*

Fiduciary Fund Type

For the Year Ended December 31, 2023

	<u>Custodial</u>
Additions	
Property and Other Local Taxes Collected for Distribution	\$ (219)
Fines, Licenses and Permits for Distribution	13,522
Deposits Received	<u>21,795</u>
<i>Total Additions</i>	35,098
Deductions	
Distributions to Other Governments	12,277
Distributions of Deposits	11,453
Other Distributions	<u>25</u>
<i>Total Deductions</i>	<u>23,755</u>
<i>Net Change in Fund Balances</i>	11,343
<i>Fund Cash Balances, January 1, restated</i>	<u>7,447</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 18,790</u></u>

See accompanying notes to the financial statements

Village of North Baltimore
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 - Reporting Entity

The Village of North Baltimore (the Village), Wood County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, and park operations. The Village also provides police services. The Village appropriates general fund money to support a volunteer fire department and full-time EMS department.

Public Entity Risk Pool

The Village participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 6 to the financial statements provide additional information for this entity.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

Street Paving and Reconstruction Fund – This fund receives property, rollback, and homestead tax levy funds in order to pave and reconstruct Village streets.

Village of North Baltimore
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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:

Vehicle Equipment Replacement Fund – This fund receives transfers from various funds to segregate monies to be used for future capital purchases.

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

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

Wastewater Utility Operating Fund - This fund receives charges for services from residents to cover sewer service costs.

Fiduciary Funds Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activities that are not required to be reported in a trust fund. The Village's three custodial funds account for: 1) the Mayor's Court, which receives money from fines and forfeitures; 2) for deposits held for fire damaged structures which are refunded after satisfactory repairs are made; and 3) for the collection of income taxes for the Henry Township/JEDD.

Basis of Accounting

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

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

Village of North Baltimore
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Budgetary Process

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

The Village values certificates of deposit (CDARS) at cost. 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 a NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

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

Village of North Baltimore
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance

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

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

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 (ordinance or resolution). The Village must adhere to these commitments unless Council amends the ordinance or resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

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

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

Village of North Baltimore
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 - Budgetary Activity (Continued)

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,006,387	\$ 2,458,486	\$ 452,099
Special Revenue	668,583	726,088	57,505
Capital Projects	275,000	147,957	(127,043)
Enterprise	4,599,969	5,087,903	487,934

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,208,322	\$ 2,046,894	\$ 161,428
Special Revenue	711,882	579,012	132,870
Capital Projects	88,500	-	88,500
Enterprise	5,622,754	4,520,235	1,102,519

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2023 was as follows:

	2023
Demand deposits	\$ 456,465
Total deposits	456,465
STAR OHIO	6,293,809
U.S. Treasury Notes	5,037,898
Total investments	11,331,707
Total deposits and investments	\$11,788,172

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, 2023, the Village does not have any 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.

Village of North Baltimore
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (Continued)

Investments

The Federal Reserve holds the Village's U.S. Treasury Notes in book-entry form in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities.

Investments in STAR Ohio 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 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 in February each year. If the property owner elects to pay semiannually, the first half is due in February. The second half payment is due the following July.

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 1% 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 has a contract with City of Cleveland – Central Collection Agency to collect income tax on behalf of the Village.

Note 6 - Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Village of North Baltimore
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 6 - Risk Management (Continued)

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, 2023:

	<u>2023</u>
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

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 healthcare and survivor and disability benefits.

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

Ohio Police and Fire Retirement System

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

Village of North Baltimore
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 - Defined Benefit Pension Plans (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 and 24% of full-time fire fighter/paramedics' wages. The Village has paid all contributions required through December 31, 2023.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2023 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$210,000	4.42%
OWDA Loan - #9455	2,391,771	0.34%
OWDA Loan - #10230	1,698,540	2.25%
USDA Loan #1	3,625,000	2.75%
USDA Loan #3	4,233,000	2.75%
USDA Loan #4	3,017,000	2.75%
OPWC - CE10T	33,861	0.00%
OPWC - CT25M	18,586	0.00%
OPWC - CE42P	103,455	0.00%
OPWC - CE36/37U	51,426	0.00%
Total	\$15,382,639	

Debt from 2022 was understated by \$2,389,764.

The Village has one outstanding general obligation bond issue at December 31, 2023. It is backed by the full faith and credit of the Village of North Baltimore and will be paid from the Enterprise Fund through user fees. Semi-annual payments are due on this obligation.

Village of North Baltimore
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (Continued)

The Village has two loans from the Ohio Water Development Authority with an interest rate of 0.34% and 2.25%. These loans were obtained to make improvements to the Village water system construct a new water tower. Semi-annual payments are due on the loan including interest. No amortization schedule is available for OWDA loan #10230.

The Village has four loans from the Ohio Public Works Commission. These loans have interest rates of 0.00%. These loans we obtained to make Water Treatment Plant improvements, and to help finance the Sewer Separation Project, respectively.

The Village has three loans from the United States Department of Agriculture. These loans have interest rates of 2.75% each. These loans were obtained to finance the Sewer Separation Project. Principal and interest payments are due annually.

Amortization

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

Year Ending December 31:	OPWC Loans	OWDA Loans	General Obligation Bonds	USDA Loans
2024	\$ 4,712	\$ 42,640	\$ 59,660	\$ 549,063
2025	9,424	85,280	57,360	549,187
2026	9,424	85,280	60,060	549,120
2027	9,424	85,280	57,530	547,860
2028	9,424	85,280	-	550,435
2029 - 2033	47,119	426,399	-	2,744,770
2034 - 2038	47,119	426,399	-	2,746,072
2039 - 2043	46,113	426,399	-	2,744,365
2044 - 2048	21,603	426,399	-	2,746,193
2049 - 2053	2,966	426,398	-	2,196,000
Total	<u>\$ 207,328</u>	<u>\$ 2,515,754</u>	<u>\$ 234,610</u>	<u>\$ 15,923,065</u>

Note 10 – Contingent Liabilities

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village’s financial condition.

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. At year end, the balances of these amounts were as follows:

Village of North Baltimore
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Fund Balances (Continued)

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 18,546	\$ 32,569	\$ 148,797	\$ 199,912

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

Note 12 – Prior Period Adjustment

In 2023, the beginning balance of the General Fund decreased \$3,038 due to a fund reclassified to custodial funds and voided checks. The beginning balance of the Custodial Fund increased \$3,501 due to the fund reclassification.

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

Village of North Baltimore
Wood County
205 North Main Street
North Baltimore, Ohio 45872

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 the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental, proprietary and fiduciary fund types as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of North Baltimore, Wood County, (the Village) and have issued our report thereon dated June 12, 2025, 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 purposes of expressing our opinions 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 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

We also noted certain other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 12, 2025.

Village's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying Corrective Action Plan. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

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.



Charles E. Harris & Associates, Inc.

June 12, 2025

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

**SCHEDULE OF FINDINGS
December 31, 2024 and 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2024-001 - Material Weakness

Audit Adjustments and Reclassifications

During 2024 and 2023, errors were noted in the Village’s financial statements that required audit adjustments and reclassifications, the most significant of which are as follows:

- In 2023, adjusted the Enterprise Fund to include OWDA loan transactions paid directly to vendors of \$1,735,844 as Loans Issued for receipts and Capital Outlay for disbursements.
- In 2023, moved all Unclaimed Funds activity from the General Fund to the Custodial Fund due to the transactions being deposits for fire damage recovery.
- In 2023, the Enterprise Fund had Transfers in of \$7,700 that were reclassified as Sale of Capital Assets.
- In 2023, the Capital Projects Fund had Transfers in of \$15,153 that were reclassified as Sale of Capital Assets.
- In 2024, adjusted the Custodial Fund to include Mayor’s Court transactions of \$26,201 as Fines, Licenses and Permits for Distribution additions and \$24,380 as Distributions to Other Governments and Primary Government deductions.
- In 2024, the Custodial Fund had \$24,000 in Other Deductions that were reclassified as Distributions of Deposits.
- In 2024, the Custodial Fund had \$14,000 in Other Amounts Collected for Distribution that were reclassified as Deposits Received.
- In 2024, the Special Revenue Fund had \$4,650 in Other Financing Sources that were reclassified as Miscellaneous.
- In 2024, the Capital Projects Fund had \$147,154 in Other Financing Sources that were reclassified as Miscellaneous.
- In 2024, the General Fund had Other Financing Uses of \$1,210 that were reclassified as Leisure Time Activities.
- In 2024, adjusted the Enterprise Fund to include OWDA loan transactions paid directly to vendors of \$2,399,210 as Loans Issued for receipts and Capital Outlay for disbursements.
- In 2024, adjusted Water Capital Projects and Wastewater Capital Projects funds from Capital Projects Funds to Enterprise Funds. All receipts, disbursements and fund balances were adjusted.
- The notes to the financial statements omitted various notes and related information.

The accompanying financial statements and Village records have been adjusted to properly reflect these transactions. Various other immaterial posting errors were also noted and brought to the attention of management.

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

**SCHEDULE OF FINDINGS
December 31, 2024 and 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - Continued
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Finding Number 2024-001 - Material Weakness - Continued

Failure to report transactions correctly results in the financial statements not being accurately presented. We recommend that the Fiscal Officer follow the Village Officers' Handbook, the Uniform Accounting Network (UAN) manual and other Auditor of State guidance to properly classify its transactions and the templates for the notes to the financial statements provided by the Auditor of State. Also, to help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements and notes to the financial statements. Such review should include procedures to ensure that all receipts and disbursements are properly identified and classified on the financial statements. We recommend the Village use the most current available templates for financial statements and notes to the financial statements on the Auditor of State's website <http://www.ohioauditor.gov/references/shells/regulatory.html> to prepare an accurate annual financial report.

Management's Response:

See Corrective Action Plan.

Village of North Baltimore
Wood County
Schedule of Prior Audit Findings (Prepared by Management)
December 31, 2024 and 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material Weakness - Financial Reporting	Not Corrected	
2022-002	Noncompliance – Certification of Expenditures	Partially Corrected	
2022-003	Noncompliance – Transfers Without Appropriate Approval	Corrected	

Village of North Baltimore
Wood County
 Corrective Action Plan (Prepared by Management)
 For the Years Ended December 31, 2024 and 2023

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	This issue was caused by the previous administration. The new fiscal officer has taken steps or will take steps in fiscal year 2025 to ensure that transactions are posted in accordance with the Village Officer's Handbook and the Uniform Accounting Network manual.	7/31/25	Matt Clouse, Fiscal Officer

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NORTH BALTIMORE

WOOD 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 10/14/2025

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

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