

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY, OHIO**

**Financial Statements**  
**(Audited)**

**For the Years Ended**  
**December 31, 2019 and 2018**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Pleasantville  
207 West Columbus Street  
Pleasantville, Ohio 43148

We have reviewed the *Independent Auditor's Report* of the Village of Pleasantville, Fairfield County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2019. 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 Pleasantville is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

June 22, 2020

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**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

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## Independent Auditor's Report

Village of Pleasantville  
Fairfield County  
207 West Columbus Street  
Pleasantville, Ohio 43148

To the Members of Council and Mayor:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Pleasantville, Fairfield County, Ohio, as of and for the years ended December 31, 2019 and 2018.

### *Management's Responsibility for the Financial Statements*

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village of Pleasantville's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village of Pleasantville's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 of the financial statements, the Village of Pleasantville prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

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

***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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Pleasantville as of December 31, 2019 and 2018, and the respective changes in financial position or cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

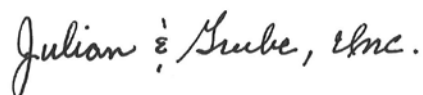
In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Pleasantville, Fairfield County, Ohio, as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Emphasis of Matters***

As described in Note 9, for the year ended December 31, 2018, the Village of Pleasantville recorded prior period restatements to reclassify activity in Special Revenue Funds and the General Fund. As discussed in Note 12 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village of Pleasantville. We did not modify our opinion regarding these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2020, on our consideration of the Village of Pleasantville'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 of Pleasantville's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
March 18, 2020



**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Property and other taxes	\$ 51,088	\$ 49,895	\$ 100,983
Municipal income tax	116,028	-	116,028
Intergovernmental	35,236	44,361	79,597
Charges for services	9,429	6,315	15,744
Fines, licenses and permits	7,307	-	7,307
Earnings on Investments	2,334	128	2,462
Miscellaneous	4,037	-	4,037
Total cash receipts	<u>225,459</u>	<u>100,699</u>	<u>326,158</u>
Cash disbursements:			
Current:			
Security of persons and property	52,748	26,956	79,704
Public health services	5,615	-	5,615
Leisure time activities	-	8,778	8,778
Community environment	14,019	-	14,019
Basic utility services	-	351	351
Transportation	-	34,547	34,547
General government	82,421	433	82,854
Capital outlay	80,422	1,000	81,422
Debt service:			
Principal retirement	12,929	-	12,929
Total cash disbursements	<u>248,154</u>	<u>72,065</u>	<u>320,219</u>
Total cash receipts over/(under) cash disbursements	<u>(22,695)</u>	<u>28,634</u>	<u>5,939</u>
Other financing receipts (disbursements):			
Transfers In	-	1,565	1,565
Transfers Out	(672)	(15,606)	(16,278)
Other Financing Sources	163	-	163
Total other financing receipts (disbursements)	<u>(509)</u>	<u>(14,041)</u>	<u>(14,550)</u>
Net change in fund cash balances	(23,204)	14,593	(8,611)
Fund cash balances, January 1, 2019	<u>281,193</u>	<u>98,926</u>	<u>380,119</u>
Fund cash balances, December 31, 2019			
Restricted	-	113,519	113,519
Unassigned	257,989	-	257,989
Fund cash balances, December 31, 2019	<u>\$ 257,989</u>	<u>\$ 113,519</u>	<u>\$ 371,508</u>

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
BALANCES (REGULATORY CASH BASIS) - PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Total (Memorandum Only)
	<u>Enterprise</u>	<u>Custodial</u>	
Operating cash receipts:			
Charges for services	\$ 144,298	\$ 203,007	\$ 347,305
Total operating cash receipts	<u>144,298</u>	<u>203,007</u>	<u>347,305</u>
Operating cash disbursements:			
Personal services	54,197	-	54,197
Fringe benefits	6,960	-	6,960
Contractual services	46,846	-	46,846
Supplies and materials	26,650	-	26,650
Other	1,663	217,598	219,261
Total operating cash disbursements	<u>136,316</u>	<u>217,598</u>	<u>353,914</u>
Operating income/(loss)	<u>7,982</u>	<u>(14,591)</u>	<u>(6,609)</u>
Nonoperating cash receipts/(disbursements):			
Capital Outlay	(34,766)	-	(34,766)
Special Assessments	-	33,553	33,553
Intergovernmental	34,766	-	34,766
Debt service:			
Principal	(12,458)	-	(12,458)
Total nonoperating cash receipts/(disbursements)	<u>(12,458)</u>	<u>33,553</u>	<u>21,095</u>
Income/(loss) before transfers	(4,476)	18,962	14,486
Transfers in	<u>14,713</u>	<u>-</u>	<u>14,713</u>
Net changes in fund cash balances	10,237	18,962	29,199
Fund cash balances, January 1, 2019	<u>39,536</u>	<u>98</u>	<u>39,634</u>
Fund cash balances, December 31, 2019	<u>\$ 49,773</u>	<u>\$ 19,060</u>	<u>\$ 68,833</u>

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019**

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**Note 1 - Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Village of Pleasantville, Fairfield 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 three-member Council directs the Village. The Village provides water utilities and park operations. The Village contracts with the Baltimore Police Department to receive police services. The Village contracts with Pleasant Walnut Township and Thurston Walnut Fire Department to receive fire protection and emergency medical services. The Village Contracts with Walnut Creek Sewer District to receive sewer utility services.

**Public Entity Risk Pool:**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) – formerly known as the Ohio Government Risk Management Plan, (the “Plan”), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan is legally separate from its member governments. See Note 5 for more detail.

**Jointly Governed Organizations:**

**Fairfield Regional Planning commission:**

The Village appoints a member of council to represent the Village on the 48 members board of the Fairfield Regional Planning Commission. The Village pays a small membership fee annually based on the per capita of the Village.

**Mid-Ohio Regional Planning Commission:**

The Village appoints a member of council to represents the Village on the Board of the Mid-Ohio Regional Planning commission. The Village pays a small membership fee annually based on the per capita of the Village.

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio administrative Code Section 117-2-03(D). 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).

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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(D) permit.

**C. Deposits**

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

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

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

Parks and Recreation Fund – This fund receives property taxes for maintaining and repairing the parks and pool.

Police Fund - This fund receives property taxes to pay for services from the Village of Baltimore.

**3. 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 Fund:

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

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

***D. Fund Accounting (Continued)***

**4. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Custodial funds are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's Custodial fund accounts for the activity related to the Walnut Creek Sewer District.

***E. Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

**1. 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.

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2019 budgetary activity appears in Note 2.

***F. Fund Balance***

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

***F. Fund Balance (Continued)***

**1. Nonspendable**

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

**2. Restricted**

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

**3. Committed**

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

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

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

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

***G. Property, Plant and Equipment***

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**I. 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.

**Note 2 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$177,700	\$225,622	\$47,922
Special Revenue	94,660	102,264	7,604
Enterprise	181,566	193,777	12,211
Fiduciary	227,000	236,560	9,560
Total	\$680,926	\$758,223	\$77,297

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$261,084	\$250,101	\$10,983
Special Revenue	94,653	87,887	6,766
Enterprise	194,201	184,628	9,573
Fiduciary	227,000	217,598	9,402
Total	\$776,938	\$740,214	\$36,724

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019**

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**Note 3 – Deposits and Investments**

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

	2019
Demand deposits	\$ 388,967
Certificates of deposit	51,374
Total deposits	<u>\$ 440,341</u>

***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.

**Note 4 – 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

***Income Taxes***

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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



**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019**

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**Note 5 - Risk Management**

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- USI – Public Entity Practice

***Risk Pool Membership***

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018 (the latest information available).

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018 (the latest information available).

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 6 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019**

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**Note 6 - Defined Benefit Pension Plans (Continued)**

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, 2019.

***Social Security***

Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

**Note 7 - 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 8 - Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission (CQ22D)	\$2,647	0%
Ohio Public Works Commission (CQ21P)	\$40,603	0%
Ohio Public Works Commission (CQ25E)	\$10,881	0%
Ohio Public Works Commission (CQ25R)	\$20,566	0%
Ohio Public Works Commission (CQ07H)	\$7,618	0%
Ohio Public Works Commission (CQ13J)	\$21,260	0%
Ohio Public Works Commission (CQ05T)	\$30,135	0%
Ohio Public Works Commission (CQ12U)	\$10,814	0%
Vinton County Bank (Truck Loan)	\$11,985	2.5%
Total	<u>\$156,509</u>	

The Ohio Public Works Commission (OPWC) loan CQ22D relates to the Summit Street Storm and Otte Park Sewer Project. The OPWC approved up to \$55,165.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,323.38, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ21P relates to the Water System Improvements. The OPWC approved up to \$399,900.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,450.12, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019**

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**Note 8 - Debt - (Continued)**

The Ohio Public Works Commission (OPWC) loan CQ25E relates to the Water Tower Design and construction. The OPWC approved up to \$72,460.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$906.79 over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ25R relates to the Summit Street Improvements Project. The OPWC approved up to \$150,100.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$527.33 over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ07H relates to the North Main Street Waterline Replacements. The OPWC approved up to \$110,226.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$692.50, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ13J relates to the South Main Street Waterline Replacement. The OPWC approved up to \$212,600.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,328.75, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ05T relates to the East Columbus Street Improvements. The OPWC approved up to \$153,900.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,883.42, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ12U relates to the Market and Foster Street Improvements. The OPWC approved up to \$117,515.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$327.68, over 18 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

In 2016 the Village obtained a loan from Vinton County National Bank for the purchase of a truck to be used by the Street and Water departments. The original loan for the truck was \$40,490.50. The loan will be repaid in monthly installments of \$718.60 and matures in May 26, 2021. Debt is paid from the General fund.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019**

**Note 8 - Debt - (Continued)**

***Amortization***

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

Year Ending December 31:	Truck Loan	OPWC Loan CQ22D	OPWC Loan CQ21P	OPWC Loan CQ25E	OPWC Loan CQ25R	OPWC Loan CQ07H	OPWC Loan CQ13J	OPWC Loan CQ05T	OPWC Loan CQ12U
2020	8,623	2,647	2,900	1,814	1,055	1,385	2,658	\$3,767	655
2021	3,595		2,900	1,814	1,055	1,385	2,658	\$3,767	655
2022			2,900	1,814	1,055	1,385	2,658	\$3,767	655
2023			2,900	1,814	1,055	1,385	2,658	\$3,767	655
2024			2,900	1,814	1,055	1,385	2,658	\$3,767	655
2025-2029			14,500	1,811	5,275	693	7,970	11,300	3,275
2030-2034			11,603		5,275				3,275
2035-2039					4,741				989
Total	\$12,218	\$2,647	\$40,603	\$10,881	\$20,566	\$7,618	\$21,260	\$30,135	\$10,814

**Note 9 - Postemployment Benefits**

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

**Note 10 - Compliance**

- A. The Village did not properly pass appropriations at the minimum level of budgetary control, in noncompliance with Ohio Revised Code Section 5705.38(C).
- B. The Village did not record on behalf payments made by the Ohio Public Works Commission, in noncompliance with Ohio Revised Code Section 5705.42.

**Note 11 – Transfers**

The Village recorded transfers out of the Parks and Recreation Fund (a special revenue fund) to the Park Fund (a special revenue fund) and the Swimming Pool Fund (an enterprise fund). All transfers were for the purpose of recreation.

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

***NOTES TO THE FINANCIAL STATEMENTS***  
***FOR THE YEARS ENDED DECEMBER 31, 2019***

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**Note 12 – Subsequent Event**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, receipts, and any recovery from emergency funding, either federal or state, cannot be estimated.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Property and other taxes	\$ 43,679	\$ 50,005	\$ 93,684
Municipal income tax	109,420	-	109,420
Intergovernmental	15,085	38,473	53,558
Charges for services	14,602	4,076	18,678
Fines, licenses and permits	5,624	-	5,624
Earnings on Investments	1,021	70	1,091
Miscellaneous	7,747	1,498	9,245
Total cash receipts	<u>197,178</u>	<u>94,122</u>	<u>291,300</u>
Cash disbursements:			
Current:			
Security of persons and property	51,357	26,917	78,274
Public health services	2,085	-	2,085
Leisure time activities	-	9,257	9,257
Basic utility services	11,810	-	11,810
Transportation	-	35,766	35,766
General government	70,285	12,127	82,412
Capital outlay	51,633		51,633
Debt service:			
Principal retirement	7,632		7,632
Total cash disbursements	<u>194,802</u>	<u>84,067</u>	<u>278,869</u>
Total cash receipts over/(under) cash disbursements	<u>2,376</u>	<u>10,055</u>	<u>12,431</u>
Other financing receipts (disbursements):			
Transfers Out	(6,479)	-	(6,479)
Other Financing Uses	(63)	-	(63)
Total other financing receipts (disbursements)	<u>(6,542)</u>	<u>-</u>	<u>(6,542)</u>
Net change in fund cash balances	(4,166)	10,055	5,889
Fund cash balances, January 1, 2018 (restated)	<u>285,359</u>	<u>88,871</u>	<u>374,230</u>
Fund cash balances, December 31, 2018			
Restricted	-	98,926	98,926
Unassigned	281,193	-	281,193
Fund cash balances, December 31, 2018	<u>\$ 281,193</u>	<u>\$ 98,926</u>	<u>\$ 380,119</u>

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
BALANCES (REGULATORY CASH BASIS) - PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Proprietary Fund Type	Fiduciary Fund Type	Total
	Enterprise	Agency	(Memorandum Only)
Operating cash receipts:			
Charges for services	\$ 127,289	\$ 197,000	\$ 324,289
Total operating cash receipts	127,289	197,000	324,289
Operating cash disbursements:			
Personal services	46,282	-	46,282
Fringe benefits	7,200	-	7,200
Contractual services	34,890	-	34,890
Supplies and materials	28,750	-	28,750
Other	812	240,256	241,068
Total operating cash disbursements	117,934	240,256	358,190
Operating income/(loss)	9,355	(43,256)	(33,901)
Nonoperating cash receipts/(disbursements):			
Special Assessments		32,884	32,884
Miscellaneous Receipts	175		175
Debt service:			
Principal	(12,785)	-	(12,785)
Total nonoperating cash receipts/(disbursements)	(12,610)	32,884	20,274
Income/(loss) before transfers	(3,255)	(10,372)	(13,627)
Transfers in	6,479	-	6,479
Net change in fund cash balances	3,224	(10,372)	(7,148)
Fund cash balances, January 1, 2018	36,312	10,470	46,782
Fund cash balances, December 31, 2018	\$ 39,536	\$ 98	\$ 39,634

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

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 1 - Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Village of Pleasantville, Fairfield 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 three-member Council directs the Village. The Village provides water utilities and park operations. The Village contracts with the Baltimore Police Department to receive police services. The Village contracts with Pleasant Walnut Township and Thurston Walnut Fire Department to receive fire protection and emergency medical services. The Village Contracts with Walnut Creek Sewer District to receive sewer utility services.

**Public Entity Risk Pool:**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) – formerly known as the Ohio Government Risk Management Plan, (the “Plan”), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan is legally separate from its member governments. See Note 5 for more detail.

**Jointly Governed Organizations:**

**Fairfield Regional Planning commission:** The Village appoints a member of council to represent the Village on the 48 members board of the Fairfield Regional Planning Commission. The Village pays a small membership fee annually based on the per capita of the Village.

**Mid-Ohio Regional Planning Commission:** The Village appoints a member of council to represents the Village on the Board of the Mid-Ohio Regional Planning commission. The Village pays a small membership fee annually based on the per capita of the Village.

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio administrative Code Section 117-2-03(D). 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(D) permit.



**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**C. Deposits**

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

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

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

Parks and Recreation Fund – This fund receives property taxes for maintaining and repairing the parks and pool.

Police Fund - This fund receives property taxes to pay for services from the Village of Baltimore.

**3. 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 Fund:

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

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

***D. Fund Accounting (Continued)***

**4. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations and other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's Agency fund accounts for the activity related to the Walnut Creek Sewer District.

***E. Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

**1. 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.

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2018 budgetary activity appears in Note 2.

***F. Fund Balance***

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

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

***F. Fund Balance (Continued)***

**1. Nonspendable**

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

**2. Restricted**

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

**3. Committed**

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

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

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

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

***G. Property, Plant and Equipment***

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

***I. 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.

**Note 2 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$145,700	\$197,178	\$51,478
Special Revenue	88,400	94,122	5,722
Enterprise	137,700	133,943	(3,757)
Fiduciary	224,500	229,884	5,384
Total	\$596,300	\$655,127	\$58,827

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$195,740	\$202,428	(\$6,688)
Special Revenue	104,012	84,209	19,803
Enterprise	151,955	131,644	20,311
Fiduciary	242,500	240,256	2,244
Total	\$694,207	\$658,537	\$35,670

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 3 – Deposits and Investments**

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

	2018
Demand deposits	\$ 369,753
Certificates of deposit	50,000
Total deposits	<u>\$ 419,753</u>

***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.

**Note 4 – 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

***Income Taxes***

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 5 - Risk Management**

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Gardner Parker Insurance – Ohio Plan Risk Management Inc.

***Risk Pool Membership***

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 6 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 6 - Defined Benefit Pension Plans (Continued)**

*Social Security*

Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

**Note 7 - 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 8 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission (CQ22D)	\$5,293	0%
Ohio Public Works Commission (CQ21P)	\$43,504	0%
Ohio Public Works Commission (CQ25E)	\$12,695	0%
Ohio Public Works Commission (CQ25R)	\$21,620	0%
Ohio Public Works Commission (CQ07H)	\$9,003	0%
Ohio Public Works Commission (CQ13J)	\$23,918	0%
Ohio Public Works Commission (CQ05T)	\$33,902	0%
Ohio Public Works Commission (CQ12U)	\$11,469	0%
Vinton County Bank (Truck Loan)	\$20,198	2.5%
Total	\$181,602	

The Ohio Public Works Commission (OPWC) loan CQ22D relates to the Summit Street Storm and Otte Park Sewer Project. The OPWC approved up to \$55,165.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,323.38, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ21P relates to the Water System Improvements. The OPWC approved up to \$399,900.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,450.12, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 8 – Debt (Continued)**

The Ohio Public Works Commission (OPWC) loan CQ25E relates to the Water Tower Design and construction. The OPWC approved up to \$72,460.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$906.79 over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ25R relates to the Summit Street Improvements Project. The OPWC approved up to \$150,100.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$527.33 over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ07H relates to the North Main Street Waterline Replacements. The OPWC approved up to \$110,226.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$692.50, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ13J relates to the South Main Street Waterline Replacement. The OPWC approved up to \$212,600.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,328.75, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ05T relates to the East Columbus Street Improvements. The OPWC approved up to \$153,900.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,883.42, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Public Works Commission (OPWC) loan CQ12U relates to the Market and Foster Street Improvements. The OPWC approved up to \$117,515.00 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$327.68, over 18 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

In 2016 the Village obtained a loan from Vinton County National Bank for the purchase of a truck to be used by the Street and Water departments. The original loan for the truck was \$40,490.50. The loan will be repaid in monthly installments of \$718.60 and matures in May 26, 2021. Debt is paid from the General fund.



**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8 – Debt (Continued)**

***Amortization***

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

Year Ending December 31:	Truck Loan	OPWC Loan CQ22D	OPWC Loan CQ21P	OPWC Loan CQ25E	OPWC Loan CQ25R	OPWC Loan CQ07H	OPWC Loan CQ13J	OPWC Loan CQ05T	OPWC Loan CQ12U
2019	\$8,623	\$2,647	\$2,900	\$1,814	\$1,055	\$1,385	\$2,658	\$3,767	\$655
2020	8,623	2,646	2,900	1,814	1,055	1,385	2,658	\$3,767	655
2021	3,595		2,900	1,814	1,055	1,385	2,658	\$3,767	655
2022			2,900	1,814	1,055	1,385	2,658	\$3,767	655
2023			2,900	1,814	1,055	1,385	2,658	\$3,767	655
2024-2028			14,500	3,625	5,275	2,078	10,628	15,067	3,275
2029-2033			14,504		5,275				3,275
2034-2038					5,275				1,644
2039					520				
<b>Total</b>	<b>\$20,841</b>	<b>\$5,293</b>	<b>\$43,504</b>	<b>\$12,695</b>	<b>\$21,620</b>	<b>\$9,003</b>	<b>\$23,918</b>	<b>\$33,902</b>	<b>\$11,469</b>

**Note 9- Prior Period Restatement**

The Village identified donation activity that should have been recorded in the General Fund and not the Special Revenue Funds. They also identified a reimbursement for FEMA grant activity that should have been reimbursed to the General Fund. Lastly, the Village identified police activity that should have been recorded in the Special Revenue Funds and not the General Fund. The determination had the following effect on financial statement fund balances at January 1, 2018:

	General	Special Revenue
<u>Fund cash balance</u>		
December 31, 2017	\$ 267,090	\$ 107,140
Donation Activity	\$ 21,635	\$ (21,635)
FEMA Grant Activity	\$ 1,634	\$ (1,634)
Police Activity	\$ (5,000)	\$ 5,000
January 1, 2018, restated	<u>\$ 285,359</u>	<u>\$ 88,871</u>

**VILLAGE OF PLEASANTVILLE**  
**FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 10 - Postemployment Benefits**

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018.

**Note 11 - Compliance**

The Village did not properly pass appropriations at the minimum level of budgetary control, in noncompliance with Ohio Revised Code Section 5705.38(C).

**Independent Auditor’s Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

Village of Pleasantville  
Fairfield County  
207 West Columbus Street  
Pleasantville, Ohio 43148

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Pleasantville, Fairfield County, Ohio, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated March 18, 2020, wherein we noted the Village of Pleasantville followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. In addition, as discussed in Note 9, prior period restatements were required to reclassify fund balances for the year ended December 31, 2018. Furthermore, as discussed in Note 12 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village of Pleasantville’s internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village of Pleasantville’s internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village of Pleasantville’s financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider material weaknesses. We consider findings 2019-001 through 2019-003 to be material weaknesses.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village of Pleasantville's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2019-001 and 2019-003.

***Village of Pleasantville's Responses to Findings***

The Village of Pleasantville's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not subject the Village of Pleasantville's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village of Pleasantville's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Pleasantville's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.  
March 18, 2020

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2019-001

Noncompliance/Material Weakness

Ohio Revised Code Section 5705.38(C) requires the following minimum level of budgetary control for Villages: “Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services”. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

The Village’s appropriations for the years ended December 31, 2019 and 2018 were passed at the fund level, which is not at the detail required by Ohio Revised Code Section 5705.38(C). The Fiscal Officer maintains an appropriation spreadsheet at a more detailed level, however, this spreadsheet is not reviewed or approved by Village Council.

By not appropriating at the level of control required by the Ohio Revised Code, the Village risks insufficient oversight over disbursements since Village Council will not have sufficiently detailed budget vs. actual information available to them.

We recommend the Village pass appropriations at the minimum level of budgetary control, in accordance with the Ohio Revised Code. Further, all appropriations and subsequent amendments should be approved by Village Council prior to being posted to the Village’s system. This will aid the Village Council and the Fiscal Officer in their review of disbursements versus appropriations and help ensure appropriations are in place prior to disbursements.

Client Response: The Fiscal Officer has discussed with the auditors to better understand what is needed.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)</b>	
Finding Number	2019-002

Material Weakness - Financial Statement Presentation

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the Village, this could also include reviewing the year-end UAN reports to ensure activity is reported in the correct line items and fund balances are properly classified.

Adjustments were made to the financial statements to properly record significant transactions during the audit period.

- During 2019, the Village did not record the receipt and disbursement relating to on-behalf payments from OPWC. Capital outlay disbursements and intergovernmental nonoperating receipts were both increased by \$34,766. See more detail at 2019-003.
- During 2019, the Village improperly recorded \$84,067 as principal retirement. General government disbursements were increased \$3,645, capital outlay disbursements were increased \$80,422, and principal retirement disbursements were decreased \$84,067.

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

We recommend the Village design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Village should consider having an outside third-party, or Council member with financial experience, review the financial report prior to filing in the Hinkle System. Further, the Village should reach out to its auditor throughout the year if questions arise on how to properly account for receipts or disbursements.

Client Response: The Village will closely monitor all transactions to ensure accurate financial reporting in the future.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2019-003

Material Weakness/Noncompliance – OPWC On-Behalf Payments

Ohio Rev. Code § 5705.42 states when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection within the meaning of section 5705.41 of the Revised Code. In addition, Auditor of State (AOS) Bulletin 2000-008 indicates that when a local government enters into an on-behalf-of program agreement with another local government or the state, whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The Village entered into agreements with the Ohio Public Works Commission (OPWC) for a grant during the year ending December 31, 2019. AOS Bulletin 2002-004 outlines the accounting requirements for OPWC grants. The OPWC will make payments to the contractor(s) for its share based on invoices submitted by the fiscal officer or to the local government as a reimbursement. For payments made to the contractor, the state will notify the fiscal officer of the amount disbursed. Upon receipt of this notice, each local government shall record a receipt and disbursement in the appropriate governmental and/or enterprise capital projects fund equal to the amount disbursed by the OPWC.

The Village did not record the payments made directly to contractors as part of the OPWC project. In 2019, the Village failed to report \$34,766 in OPWC intergovernmental revenues and \$34,766 in OPWC capital outlay disbursements in the water operating fund for water treatment plant improvements. The financial statements and notes have been adjusted to properly report the activity.

The failure to record grant activity results in understated receipts and disbursements on the financial statements and understated obligations in the financial statement notes.

To improve financial reporting, the Village should establish procedures to account for all payments made directly to contractors to ensure that the financial statements reflect the receipts and disbursements for all grant activity.

*Client Response:* The Fiscal Officer will work to provide a sound fiscal environment for the Village and is in the process of evaluating other options to help improve the Village’s policies and procedures associated with financial statement presentation.

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF PLEASANTVILLE**

**FAIRFIELD COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 2, 2020**