



***VILLAGE OF CEDARVILLE  
GREENE COUNTY***

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**Regular Audit**

**For the Years Ended  
December 31, 2020 and 2019**

**J.L. UHRIG**  
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Cedarville  
PO Box 51  
Cedarville, Ohio 45314

We have reviewed the *Independent Auditor's Report* of the Village of Cedarville, Greene County, prepared by J.L. Uhrig and Associates, Inc., for the audit period January 1, 2019 through December 31, 2020. 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 Cedarville 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

**July 15, 2021**

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**VILLAGE OF CEDARVILLE, GREENE COUNTY**

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For the Years Ended December 31, 2020 and 2019

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## Independent Auditor's Report

Village Council  
Village of Cedarville  
Greene County  
P.O. Box 51  
Cedarville, OH 45314

To the Village Council:

### ***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 Cedarville, Greene County, Ohio (the Village) as of and for the years ended December 31, 2020 and 2019.

### ***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 statements misstatement, whether due to fraud or error. In assessing those risks, we consider internal controls relevant to the Village'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's internal control. Accordingly, we express no 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 opinion.

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

As described in Note 2 of the December 31, 2020 and 2019 financial statements, the Village 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 American (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 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 as of December 31, 2020 and 2019, or changes in financial position or cash flows thereof for the year then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Cedarville, Greene County as of December 31, 2020 and 2019, and its combined cash receipts and disbursements 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) permits, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2021 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. 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's internal control over financial reporting and compliance.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

June 22, 2021



**VILLAGE OF CEDARVILLE, GREENE COUNTY**  
**Combined Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2020**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
<b><u>Cash Receipts:</u></b>			
Property and Other Local Taxes	\$70,478	\$0	\$70,478
Municipal Income Tax	824,406	0	824,406
Intergovernmental	83,625	370,748	454,373
Special Assessments	37	0	37
Charges for Service	220	0	220
Fines, Licenses, and Permits	2,312	0	2,312
Earnings on Investments	62	19	81
Miscellaneous	75,652	0	75,652
Total Cash Receipts	<u>1,056,792</u>	<u>370,767</u>	<u>1,427,559</u>
<b><u>Cash Disbursements:</u></b>			
<i>Current:</i>			
General Government	307,288	0	307,288
Security of Persons and Property	431,726	0	431,726
Public Health Services	2,736	0	2,736
Leisure Time Activities	26,952	6,275	33,227
Community Environment	6,500	0	6,500
Transportation	38,013	53,066	91,079
Capital Outlay	99,120	25,000	124,120
Total Cash Disbursements	<u>912,335</u>	<u>84,341</u>	<u>996,676</u>
Cash Receipts Over (Under) Cash Disbursements	144,457	286,426	430,883
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers In	592,716	0	592,716
Transfers Out	<u>(339,000)</u>	<u>(253,716)</u>	<u>(592,716)</u>
Total Other Financing Sources (Uses)	<u>253,716</u>	<u>(253,716)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Sources Over (Under) Cash Disbursements and Other Financing Uses	398,173	32,710	430,883
Fund Cash Balances, January 1	<u>382,657</u>	<u>114,171</u>	<u>496,828</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$780,830</u></u></b>	<b><u><u>\$146,881</u></u></b>	<b><u><u>\$927,711</u></u></b>

See accompanying notes to the financial statements.

**VILLAGE OF CEDARVILLE, GREENE COUNTY**  
**Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**All Proprietary Fund Types**  
**For the Year Ended December 31, 2020**

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	Enterprise
<b><u>Operating Cash Receipts:</u></b>	
Charges for Services	\$167,606
Total Operating Cash Receipts	167,606
<b><u>Operating Cash Disbursements:</u></b>	
Personal Services	26,416
Employee Fringe Benefits	3,656
Contractual Services	112,952
Supplies and Materials	7,575
Total Operating Cash Disbursements	150,599
Operating Income (Loss)	17,007
Fund Cash Balances, January 1	24,711
<b><i>Fund Cash Balances, December 31</i></b>	<b>\$41,718</b>

See accompanying notes to the financial statements.

**Village of Cedarville, Ohio**  
*Greene County*  
*Notes to the Financial Statements for*  
*the Year Ended December 31, 2020*

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**Note 1 - Reporting Entity**

The Village of Cedarville (the Village), Greene 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. The Village is directed by a publicly-elected six-member Council and a publicly-elected Mayor. The Village provides water and sewer utilities, park operations, and police services.

The Village provides general government services, maintenance of Village roads, park maintenance and police protection. The Village contracts with Rumpke to provide refuse service.

The Village participates in Public Entities Pool of Ohio (PEP), a public entity risk-sharing pool. Note 6 to the financial statements provides 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**

A. Basis of Accounting

The Village's financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). The statements include adequate disclosure of material matters as prescribed or permitted by the Auditor of State.

B. 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:

**Village of Cedarville, Ohio**  
*Greene County*  
*Notes to the Financial Statements for*  
*the Year Ended December 31, 2020*

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**Note 2 - Summary of Significant Accounting Policies – (Continued)**

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

*State Highway Fund* The state highway fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of state highways within the Village.

**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:

*Refuse Fund* This fund receives charges for services from residents to cover refuse collection costs.

**C. Budgetary Process**

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

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

A summary of 2020 budgetary activity appears on Note 4.

***Deposits and Investments***

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

***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.

**Village of Cedarville, Ohio**  
*Greene County*  
*Notes to the Financial Statements for*  
*the Year Ended December 31, 2020*

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**Note 2 - Summary of Significant Accounting Policies – (Continued)**

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

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

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

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.

**Village of Cedarville, Ohio**  
*Greene County*  
*Notes to the Financial Statements for*  
*the Year Ended December 31, 2020*

**Note 3 - Budgetary Activity**

The Village's budgetary activity for the year ending December 31, 2020 follows:

2019 Budgeted vs. Actual Receipts			
<u>Receipts</u>			
Fund Type	Budgeted	Actual	Variance
General	\$1,367,565	\$1,649,508	\$281,943
Special Revenue	73,685	370,767	297,082
Enterprise	160,000	167,606	(7,606)
Total	\$1,601,250	\$2,187,881	\$571,419

2019 Budgeted vs. Budgeted Actual Receipts			
<u>Disbursements</u>			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,727,421	\$1,251,335	\$476,086
Special Revenue	189,131	338,057	(148,926)
Enterprise	184,711	150,599	34,112
Total	\$2,101,263	\$1,739,991	\$361,272

**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:

	2020
Cash Management Pool:	
Demand Deposits	\$969,429
Total Deposits and Investments	\$969,429

**Village of Cedarville, Ohio**  
*Greene County*  
*Notes to the Financial Statements for*  
*the Year Ended December 31, 2020*

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**Note 4 - Deposits and Investments – (Continued)**

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

**Note 5 - Taxes**

***Property Taxes***

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

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

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

***Income Taxes***

The Village levies a municipal income tax of one and one quarter percent (1.25%) on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**Note 6 - Risk Management**

***Workers' Compensation***

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

***Risk Pool Membership***

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

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

**Village of Cedarville, Ohio**  
*Greene County*  
*Notes to the Financial Statements for*  
*the Year Ended December 31, 2020*

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**Note 6 - Risk Management – (Continued)**

The Government belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Risk Pool Membership**

The (local entity) 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 (local entity's) policy. The Pool covers the following risks:

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

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

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

**Note 7 -Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Eleven (11) Village employees (plus the Mayor and six (6) Council members) 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, 2020.



**Village of Cedarville, Ohio**  
*Greene County*  
*Notes to the Financial Statements for*  
*the Year Ended December 31, 2020*

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**Note 7 -Defined Benefit Pension Plans – (Continued)**

***Ohio Police and Fire Retirement System***

Four (4) Village's certified 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 postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2020.

**Note 8 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Note 9 - Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor.

**Note 10-COVID-19**

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

**VILLAGE OF CEDARVILLE, GREENE COUNTY**  
**Combined Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2019**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
<b><u>Cash Receipts:</u></b>			
Property and Other Local Taxes	\$55,962	\$0	\$55,962
Municipal Income Tax	729,401	0	729,401
Intergovernmental	92,126	82,113	174,239
Special Assessments	37	0	37
Charges for Service	3,056	0	3,056
Fines, Licenses, and Permits	3,753	0	3,753
Earnings on Investments	67	33	100
Miscellaneous	61,268	0	61,268
<b>Total Cash Receipts</b>	<b>945,670</b>	<b>82,146</b>	<b>1,027,816</b>
<b><u>Cash Disbursements:</u></b>			
<i>Current:</i>			
General Government	304,080	0	304,080
Security of Persons and Property	466,035	0	466,035
Public Health Services	1,717	0	1,717
Leisure Time Activities	10,499	3,725	14,224
Community Environment	6,618	0	6,618
Transportation	10,657	61,466	72,123
Capital Outlay	73,735	30,599	104,334
<b>Total Cash Disbursements</b>	<b>873,341</b>	<b>95,790</b>	<b>969,131</b>
Cash Receipts Over (Under) Cash Disbursements	72,329	(13,644)	58,685
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers In	0	3,000	3,000
Transfers Out	(3,000)	0	(3,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,000)</b>	<b>3,000</b>	<b>0</b>
Excess of Cash Receipts and Other Financing Sources Over (Under) Cash Disbursements and Other Financing Uses	69,329	(10,644)	58,685
Fund Cash Balances, January 1	313,328	124,815	438,143
Restricted	0	114,171	114,171
Committed	73,916	0	73,916
Assigned	20,314	0	20,314
Unassigned	288,427	0	288,427
<b>Fund Cash Balances, December 31</b>	<b>\$382,657</b>	<b>\$114,171</b>	<b>\$496,828</b>

See accompanying notes to the financial statements.

**VILLAGE OF CEDARVILLE, GREENE COUNTY**  
**Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**All Proprietary Fund Types**  
**For the Year Ended December 31, 2019**

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	Enterprise
<b><u>Operating Cash Receipts:</u></b>	
Charges for Services	\$162,575
Total Operating Cash Receipts	162,575
<b><u>Operating Cash Disbursements:</u></b>	
Personal Services	23,982
Employee Fringe Benefits	3,273
Contractual Services	122,937
Supplies and Materials	5,165
Total Operating Cash Disbursements	155,357
Operating Income	7,218
Fund Cash Balances, January 1	17,493
<b><i>Fund Cash Balances, December 31</i></b>	<b>\$24,711</b>

See accompanying notes to the financial statements.

**VILLAGE OF CEDARVILLE, GREENE COUNTY**  
**Notes to the Financial Statements**  
**for the Year Ended December 31, 2019**

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**Note 1 - Reporting Entity**

The Village of Cedarville, Greene County, Ohio (the Village), 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. The Village is directed by a publicly elected six-member Council and a publicly elected Mayor.

The Village provides general government services, maintenance of Village roads, park maintenance and police protection. The Village contracts with Rumpke to provide refuse service.

The Village participates in Public Entities Pool of Ohio (PEP), a public entity risk-sharing pool. Note 8 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 of Cedarville is financially accountable.

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

A. Basis of Accounting

The Village's financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. This method differs from generally accepted accounting principles because receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

B. Fund Accounting

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

General Fund: The General Fund is the general operating fund. It is used to account for all financial resources, except those required by law or contracted to be restricted.

Special Revenue Funds: These funds are used to account for proceeds from specific sources (other than trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

*Street Construction, Maintenance and Repair (SCMR) Fund* - This fund receives gasoline tax and motor vehicle license tax for constructing, maintaining and repairing Village streets.

*State Highway Fund* - This fund receives gasoline tax and motor vehicle license tax for constructing, maintaining and repairing state highways within the Village.

**VILLAGE OF CEDARVILLE, GREENE COUNTY**  
**Notes to the Financial Statements**  
**for the Year Ended December 31, 2019**

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**Enterprise Funds:** These funds are used to account for any activities for which a fee is charged to external users for goods or services. The Village has the following significant Enterprise Fund:

*Refuse Fund* - This fund receives charges for services from residents to cover refuse collection costs.

C. **Budgetary Process**

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

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

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

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

A summary of 2019 budgetary activity appears in Note 4.

D. **Fund Balances**

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

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

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

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

**Assigned:** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted or committed*. Governmental funds other than 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.

**VILLAGE OF CEDARVILLE, GREENE COUNTY**  
*Notes to the Financial Statements*  
*for the Year Ended December 31, 2019*

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**Note 2 - Summary of Significant Accounting Policies** (continued)

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

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

E. Property, Plant and Equipment

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

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

**Note 3 - Cash and Investments**

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Village had no investments at year end. The carrying amount of cash at year end was as follows:

	<u>December 31,</u> <u>2019</u>
Demand Deposits	\$521,539
Money Market Account Deposit	<u>0</u>
Total	<u><u>\$521,539</u></u>

*Deposits*: Deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF CEDARVILLE, GREENE COUNTY**  
**Notes to the Financial Statements**  
**for the Year Ended December 31, 2019**

**Note 4 - Budgetary Basis of Accounting**

The Village's budgetary activity for the year ending December 31, 2019 was as follows:

2019 Budgeted vs. Actual Receipts			
<u>Receipts</u>			
Fund Type	Budgeted	Actual	Variance
General	\$1,291,875	\$945,670	(\$346,205)
Special Revenue	78,910	85,146	(6,236)
Enterprise	167,575	162,575	5,000
Total	\$1,538,360	\$1,193,391	(\$347,441)

2019 Budgeted vs. Budgeted Actual Receipts			
<u>Disbursements</u>			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,566,995	\$876,341	\$690,654
Special Revenue	203,725	95,790	107,935
Enterprise	170,494	155,357	15,137
Total	\$1,941,214	\$1,127,488	\$813,726

**Note 5- 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. The second half payment is due the following June 20.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**VILLAGE OF CEDARVILLE, GREENE COUNTY**  
*Notes to the Financial Statements*  
*for the Year Ended December 31, 2019*

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**Note 6- Local Income Tax**

The Village levies a municipal income tax of one and one quarter percent (1.25%) 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 and file a declaration annually. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 7 -Retirement Systems**

The Village's certified full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2019 OP&F participants contributed 12.25% respectively, of their wages and the Village contributed an amount equal to 19.5% of full-time police members' wages. For 2019, the OPERS member contributed 10% of gross salary and the Village contributed an amount equaling 14% of the participant's gross salary. The Village has paid all contributions required through December 31, 2019.

**Note 8 - Postemployment Benefits**

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

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Note 9 - Risk Management**

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

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



**VILLAGE OF CEDARVILLE, GREENE COUNTY**  
**Notes to the Financial Statements**  
**for the Year Ended December 31, 2019**

**Note 9 - Risk Management - (Continued)**

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2018 (the latest information available):

Combined Coverage	2019	2018
Assets	\$54,973,597	\$49,921,998
Liabilities	<u>(16,440,940)</u>	<u>(14,676,199)</u>
Retained Earnings	<u>\$38,532,657</u>	<u>\$35,245,799</u>

The Casualty Coverage assets and retained earnings above include approximately \$13.7 million of unpaid claims to be billed to approximately 553 member governments in the future, as of December 31, 2019. PEP will collect these amounts in future annual contributions billings when PEP'S related liabilities are due for payment.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which, like PEP, is also administered by York Risk Pooling Services, Inc. (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2019 the Pool retained \$500,000 for casualty claims and \$250,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

**Note 10 - Fund Cash Balances**

As of December 31, 2019, fund balances are composed of the following:

	General	Special Revenue	Total
<i>Restricted:</i>			
Road Maintenance & Improvement	\$0	\$112,896	\$112,896
GC Parks & Rec Grant	0	1,275	1,275
<i>Committed:</i>			
Capital Improvements	73,916	0	73,916
<i>Assigned:</i>			
Future Appropriations	20,314	0	20,314
<i>Unassigned</i>	288,427	0	288,427
	\$382,657	\$114,171	\$496,828

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

Village Council  
Village of Cedarville, Greene County  
P.O. Box 51  
Cedarville, OH 45314

To the Village Council:

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 Village of Cedarville, Greene County, Ohio (the Village), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated June 22, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods of the Village.

**Internal Control over Financial Reporting**

As part of our financial statement audit, we considered the Village'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'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 prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material misstatement, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Village Council  
Village of Cedarville, Greene County  
Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Required By *Government Auditing Standards*

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

### **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's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

June 22, 2021

**VILLAGE OF CEDARVILLE, GREENE COUNTY**

*Schedule of Prior Audit Findings*

*For the Years Ended December 31, 2018 and 2017*

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<b>Finding Number</b>	<b>Description</b>	<b>Status</b>	<b>Comments</b>
	<i>Government Auditing Standards:</i>		
2018-001	Financial Record Keeping - audit adjustments were made to correct the Financial Statements.	Corrected	N/A

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF CEDARVILLE**

**GREENE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/27/2021**

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

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