

VILLAGE OF OSTRANDER
DELAWARE COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Ostrander
P.O. Box 35
Ostrander, Ohio 43061

We have reviewed the *Independent Auditor's Report* of the Village of Ostrander, Delaware County, prepared by Julian & Grube, 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 Ostrander 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 13, 2021

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**VILLAGE OF OSTRANDER
DELAWARE COUNTY, OHIO**

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Independent Auditor's Report

Village of Ostrander
Delaware County
P.O. Box 35
Ostrander, Ohio 43061

To Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Ostrander, Delaware County, Ohio.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Ostrander's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Ostrander's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2, the financial statements are prepared by the Village of Ostrander, on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D).

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Though the Village of Ostrander 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 "Unmodified 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 Ostrander, as of December 31, 2020 and 2019, or changes in net position, or cash flows thereof for the years then ended.

Unmodified 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 for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Ostrander, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) as described in Note 2.

Emphasis of Matters

As described in Note 9 to the financial statements, for the year ended December 31, 2020, the Village of Ostrander adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types. As described in Note 11 to the financial statements, for the year ended December 31, 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the the Village of Ostrander. Our opinions are not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2021 on our consideration of the Village of Ostrander's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Ostrander's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Ostrander's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 26, 2021

Village of Ostrander, Ohio
Delaware County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$32,592	\$0	\$32,592
Municipal Income Tax	169,715	0	169,715
Intergovernmental	22,887	110,898	133,785
Fines, Licenses and Permits	141,424	0	141,424
Earnings on Investments	1,066	99	1,165
Miscellaneous	3,980	28	4,008
<i>Total Cash Receipts</i>	<u>371,664</u>	<u>111,025</u>	<u>482,689</u>
Cash Disbursements			
Current:			
Security of Persons and Property	25,309	0	25,309
Public Health Services	868	0	868
Community Environment	4,935	0	4,935
Transportation	0	25,941	25,941
General Government	80,800	45,463	126,263
<i>Total Cash Disbursements</i>	<u>111,912</u>	<u>71,404</u>	<u>183,316</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>259,752</u>	<u>39,621</u>	<u>299,373</u>
Other Financing Receipts (Disbursements)			
Advances In	46,000	46,000	92,000
Advances Out	(46,000)	(46,000)	(92,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	259,752	39,621	299,373
<i>Fund Cash Balances, January 1</i>	<u>551,210</u>	<u>93,076</u>	<u>644,286</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$810,962</u></u>	<u><u>\$132,697</u></u>	<u><u>\$943,659</u></u>

See accompanying notes to the financial statements

Village of Ostrander, Ohio
Delaware County
Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2020

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$485,441
Miscellaneous	1,523
	486,964
<i>Total Operating Cash Receipts</i>	<i>486,964</i>
Operating Cash Disbursements	
Personal Services	36,587
Employee Fringe Benefits	4,567
Contractual Services	51,130
Supplies and Materials	9,776
	102,060
<i>Total Operating Cash Disbursements</i>	<i>102,060</i>
<i>Operating Income (Loss)</i>	<i>384,904</i>
Non-Operating Receipts (Disbursements)	
Special Assessments	4,392
Earnings on Investments	1,402
Capital Outlay	(65,387)
Principal Retirement	(10,693)
Interest and Other Fiscal Charges	(4,004)
	(74,290)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(74,290)</i>
<i>Net Change in Fund Cash Balances</i>	<i>310,614</i>
<i>Fund Cash Balances, January 1</i>	<i>1,033,148</i>
<i>Fund Cash Balances, December 31</i>	<i>\$1,343,762</i>

See accompanying notes to the financial statements

Village of Ostrander, Ohio
Delaware County
Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2020

	Fiduciary Fund Type
	Custodial
	Bond Escrow
<i>Total Additions</i>	\$0
<i>Total Deductions</i>	0
<i>Net Change in Fund Balances</i>	0
<i>Fund Cash Balances, January 1</i>	5,000
<i>Fund Cash Balances, December 31</i>	\$5,000

See accompanying notes to the financial statements

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Village of Ostrander

The Village of Ostrander (the Village), Delaware County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, including sewer utilities and an auxiliary police force. The Village hired a part-time Chief of Police who oversees the auxiliary officers and works under the supervision of the Village Mayor. The Scioto Township Fire Department is part of the Village and provides fire protection services to the Village.

Public Entity Risk Pool

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM), a public entity risk 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

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 fund types and a statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. The funds of the Village are presented below:

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

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

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

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Federal Grant Fund – CARES Act 2020 The fund accounts for and reports CARES monies received that were primarily distributed to other organizations for appropriate uses.

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:

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

Fiduciary Funds Fiduciary funds include custodial funds.

The Village’s custodial fund (Escrow Bond Holding Fund) accounts for a zoning bond held to satisfy compliance with the development plan for landscaping and bike paths.

Also, for regulatory purposes, certain deposits are permitted to be presented as custodial funds.

Basis of Accounting

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

Budgetary Process

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

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

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled, and re-appropriated in the subsequent year. The Village did not use the encumbrance method of accounting.

A summary of 2020 budgetary activity appears in Note 3.

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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. The Village had no outstanding encumbrances at December 31, 2020.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$247,117	\$417,664	\$170,547
Special Revenue	142,470	157,025	14,555
Enterprise	142,068	492,758	350,690
Total	\$531,655	\$1,067,447	\$535,792

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$141,627	\$157,912	(\$16,285)
Special Revenue	75,335	117,404	(42,069)
Enterprise	183,716	182,144	1,572
Total	\$400,678	\$457,460	(\$56,782)

Note 4 – Deposits

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. A summary of the Village's deposit accounts are as follows:

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$ 1,688,618
Certificates of deposit	603,803
Total deposits	\$ 2,292,421

Deposits

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

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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.

The Village contracts with the Regional Income Tax Authority (RITA) for income tax administration.

Note 6 – Risk Management

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.

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 6 – Risk Management – (continued)

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, 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. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. 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. Effective November 1, 2019, the OPRM’s property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019 (latest information available).

Assets	\$15,920,504
Liabilities	<u>(11,329,011)</u>
Members’ Equity	<u>\$ 4,591,493</u>

You can read the completed audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

Workers Compensation

Workers Compensation premium is paid on an annual basis by the Village of Ostrander. A true-up report is submitted to the Bureau of Workers Compensation annually to verify premiums paid. The annual premium is based on the gross payroll of all Village of Ostrander employees times the rate given to the Village of Ostrander by the Ohio Bureau of Workers Compensation.

Note 7 – Defined Benefit Pension Plans

Ohio Public employees Retirement System

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

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plans – (continued)

The Ohio Revised Code also prescribes contribution rates. OPERS member 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, 2020.

Social Security

Three of the 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, 2020.

Note 8 – Debt

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds FmHA/USDA	\$65,700	5.625%
Ohio Public Works Commission	\$172,193	0%
Total	\$237,893	

The USDA (Rural Development) bonds were issue July 8, 1992, for the purpose of paying cost of constructing a sewage disposal plant and sanitary sewers. The debt covenant requires the Village to create a separate fund to maintain one year’s debt payment of principal and interest. This money may be used with permission by USDA to cover maintenance costs. As of December 31, 2020, the Village Council earmarked and placed in a Sewer Sinking Fund \$50,000 for this purpose.

The Ohio Public Works commission (OPWC) loan relates to Wastewater Treatment Plant ((WWTP) upgrades, financed through a grant/loan agreement. The grant was fully expended in 2015. The loan payments commenced December 28, 2016.

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 8 – Debt – (continued)

Amortization

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

Year Ending December 31:	USDA Loan	OPWC Loan
2021	\$ 9,171	\$ 10,436
2022	8,863	10,436
2023	8,555	10,436
2024	8,247	10,436
2025	7,939	10,436
2026 - 2030	35,075	52,180
2031 - 2035	11,874	52,180
2036 - 2037	-	15,653
Total	\$ 89,724	\$ 172,193

Note 9 – Change in Accounting Principles

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) -- All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

Note 10 - Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The Village had no outstanding encumbrances at December 31, 2020.

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

Note 11 – 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 may impact subsequent periods of the Village. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. 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. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 12 - Other

During 2020, the Village received CARES Act funding. Of the amounts received, \$45,068 was sub-granted to the Delaware County Foundation. This amount is reflected as general government expenditure in the Federal Grant, CARES Act 2020 Fund on the accompanying financial statements.

During 2020, the Village advanced funds from the general fund to the Federal Grant CARES Act fund to cover payment to the Delaware County Foundation, plus pay back previous related expenditures made from the general fund. When the grant was received those advanced funds were returned to the general fund categories from which they were advanced. These amounts are recorded in the Federal Grant, CARES Act 2020 fund.

Note 13 - Compliance

The Village was in non compliance with Ohio Revised Code Section 5705.41(D) as purchase orders were not prepared.

Note 14 – Postemployment Benefits

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

Village of Ostrander, Ohio
Delaware County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$29,192	\$0	\$29,192
Municipal Income Tax	162,681	0	162,681
Intergovernmental	22,388	51,999	74,387
Fines, Licenses and Permits	50,250	0	50,250
Earnings on Investments	4,274	393	4,667
Miscellaneous	642	0	642
<i>Total Cash Receipts</i>	<u>269,427</u>	<u>52,392</u>	<u>321,819</u>
Cash Disbursements			
Current:			
Security of Persons and Property	20,762	0	20,762
Public Health Services	784	0	784
Community Environment	4,258	0	4,258
Transportation	0	44,554	44,554
General Government	54,484	0	54,484
<i>Total Cash Disbursements</i>	<u>80,288</u>	<u>44,554</u>	<u>124,842</u>
<i>Net Change in Fund Cash Balances</i>	189,139	7,838	196,977
<i>Fund Cash Balances, January 1</i>	<u>362,071</u>	<u>85,238</u>	<u>447,309</u>
Restricted	1,600	93,076	94,676
Unassigned	549,611	0	549,611
<i>Fund Cash Balances, December 31</i>	<u><u>\$551,210</u></u>	<u><u>\$93,076</u></u>	<u><u>\$644,286</u></u>

See accompanying notes to the financial statements

Village of Ostrander, Ohio
Delaware County
Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type and Fiduciary Fund Type
For the Year Ended December 31, 2019

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Custodial	
Operating Cash Receipts			
Charges for Services	\$132,033		\$132,033
Miscellaneous	523		523
<i>Total Operating Cash Receipts</i>	<u>132,556</u>	<u>0</u>	<u>132,556</u>
Operating Cash Disbursements			
Personal Services	27,560		27,560
Employee Fringe Benefits	4,088		4,088
Contractual Services	45,447		45,447
Supplies and Materials	12,069		12,069
<i>Total Operating Cash Disbursements</i>	<u>89,164</u>	<u>0</u>	<u>89,164</u>
<i>Operating Income (Loss)</i>	<u>43,392</u>	<u>0</u>	<u>43,392</u>
Non-Operating Receipts (Disbursements)			
Special Assessments	7,569		7,569
Earnings on Investments	2,401		2,401
Capital Outlay	(66,110)		(66,110)
Principal Retirement	(15,911)		(15,911)
Interest and Other Fiscal Charges	(4,312)		(4,312)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(76,363)</u>	<u>0</u>	<u>(76,363)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(32,971)</u>	<u>0</u>	<u>(32,971)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,066,120</u>	<u>5,000</u>	<u>1,071,120</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,033,149</u>	<u>\$5,000</u>	<u>\$1,038,149</u>

See accompanying notes to the financial statements

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Village of Ostrander, Delaware County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, including sewer utility and an auxiliary police force. The Village hired a part-time Chief of Police who oversees the auxiliary officers and works under the supervision of the Village Mayor. The Scioto Township Fire Department is part of the Village and provides fire protection services to the Village.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, 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.

Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. 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 Special Revenue Fund:

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

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

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Fiduciary Funds Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The custodial fund is an escrow for developers.

Basis of Accounting

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

Budgetary Process

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

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.

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

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year. The Village did not use the encumbrance method of accounting.

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

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 Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance

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

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

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. 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 Council or a Village official delegated that authority by resolution, or by State Statute. Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget in the General Fund.

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 Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 - 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	\$229,138	\$269,427	\$40,289
Special Revenue	40,000	52,392	12,392
Enterprise	183,250	142,526	(40,724)
Total	\$452,388	\$464,345	\$11,957

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$199,876	\$80,288	\$119,588
Special Revenue	44,380	44,554	(174)
Enterprise	175,497	175,497	0
Total	\$419,753	\$300,339	\$119,414

Note 4 – Deposits

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

Demand deposits	\$ 1,080,031
Certificates of deposit	602,401
Total deposits	\$ 1,682,432

Deposits

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

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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 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.

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

Municipal Income Tax

The Village passed an ordinance to levy a 1% income tax on every person residing in and/or earning and/or receiving income in Ostrander. The purpose of the tax is to provide funds for the purposes of general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities and capital improvements.

The tax on income and the withholding tax established by this Chapter/Ordinance (2016-03) are authorized by Article XVIII, Section 3 of the Ohio Constitution. The tax is levied in accordance with, and is intended to be consistent with, the provisions and limitations of Ohio Revised Code 718 (ORC 718), effective for tax years beginning on and after September 1, 2016. Amendment Ordinance 2016-05 declares the effective date as January 1, 2017. These ordinances can be read on the Village website (ostranderohio.us).

A contract was executed with the Regional Income Tax Agency (R.I.T.A.) for the purpose of administration and collection of municipal income tax in the Village of Ostrander.

Note 6 - Risk Management

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.

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 - Risk Management (continued)

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, 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. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. 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. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

You can read the completed audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Social Security

Those Village employees not contributing to OPERS contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 8 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
General Obligation Bonds FmHA/USDA	\$71,175	5.625%
Ohio Public Works Commission	\$177,410	0%
Total	\$248,585	

The United States Department of Agriculture (USDA) Rural Development, Sanitary Sewer System Mortgage Revenue Bonds were issued dated July 8, 1992, for the purpose of paying cost of constructing sewage disposal plant and sanitary sewers. The USDA mortgage revenue bond debt covenant requires the Village to create a separate fund to maintain one year’s debt payment of principal and interest. This money may be used with permission by USDA to cover maintenance costs. As of December 31, 2019, the Village Council has earmarked and placed in a Sewer Sinking Fund \$50,000 for this purpose.

The Ohio Public Works Commission (OPWC) loan relates to Wastewater Treatment Plant (WWTP) Upgrades, financed through a grant/loan agreement. The grant was fully expended in 2015. The loan payments commenced December 28, 2016.

Amortization

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

Year Ending December 31:	USDA Loan	OPWC Loan
2020	\$ 9,479	\$ 5,218
2021	9,171	10,436
2022	8,863	10,436
2023	8,555	10,436
2024	8,247	10,436
2025 - 2029	36,615	52,180
2030 - 2034	18,273	52,180
2035 - 2037	-	26,088
Total	\$ 99,203	\$ 177,410

Note 9 – Compliance

The Village was in non compliance with Ohio Revised Code Section 5705.41(D) as purchase orders were not prepared.

Village of Ostrander, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Postemployment Benefits

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

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Village of Ostrander
Delaware County
P.O. Box 35
Ostrander, Ohio 43061

To Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total of the Village of Ostrander, Delaware County, Ohio, as of and for the year ended December 31, 2020 and for each governmental, proprietary, and fiduciary fund type as of and for the year ended December 31, 2019, and the related notes to the financial statements and have issued our report thereon dated May 26, 2021, wherein we noted as described in Note 2 to the financial statements, the Village of Ostrander followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Furthermore, as discussed in Note 9 to the financial statements, for the year ended December 31, 2020 the Village of Ostrander adopted a change in accounting principle and removed the fund balance classifications from the Combined Statement of Receipts Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types. Additionally, as described in Note 11 to the financial statements, for the year ended December 31, 2020 the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village of Ostrander.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village of Ostrander's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001 and 2020-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Ostrander's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2020-002.

Village of Ostrander's Responses to Findings

The Village of Ostrander's responses to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Village of Ostrander's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Julian & Grube, Inc.

Julian & Grube, Inc.
May 26, 2021

**VILLAGE OF OSTRANDER
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2020 AND 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2020-001

Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information.

The following adjustments were made to the financial statements for the years ended December 31, 2020 and 2019, respectively.

2020:

- Reclass new subdivision permit receipts from miscellaneous receipts to fines, licenses, and permits in the General Fund in the amount of \$131,149
- Reclass Cares activity from General Fund (maintained in a separate fund on a cash basis as required) to Cares Federal Fund (Special Revenue Fund Type):
 - General Fund: decrease miscellaneous receipts in the amount of \$47,897, decrease cash in the amount of \$2,434, decrease other financing uses in the amount of \$45,463, increase advance out in the amount of \$46,000, increase advance in in the amount of \$46,000
 - Cares Federal Fund (Special Revenue Fund Type): increase cash in the amount of \$2,434, increase intergovernmental receipts in the amount of \$47,897, increase general government disbursements in the amount of \$45,463, increase advance in in the amount of \$46,000, increase advance out in the amount of \$46,000
- Reclass new subdivision tap fees from miscellaneous operating receipts to charges for services in the Sewer Fund (Enterprise Fund Type) in the amount of \$347,700
- Reclass special assessments receipts/other operating receipts from operating receipts to non-operating receipts special assessments in the amount of \$4,392 in the Sewer Fund (Enterprise Fund Type)

2019:

- Reclass new subdivision permit receipts from miscellaneous receipts to fines, licenses, and permits in the General Fund in the amount of \$46,000
- Increased \$2,401 in earnings on investments and cash in the Sewer Fund (Enterprise Fund Type) in the amount of \$2,401
- Increased \$650,000 in beginning fund balance and ending fund balance in the Sewer Fund (Enterprise Fund Type) in the amount of \$650,000
- Reclass special assessments receipts/other operating receipts from operating receipts to non-operating receipts special assessments in the amount of \$7,569 in the Sewer Fund (Enterprise Fund Type)
- Reclass the Unassigned fund balance of \$93,076 to a Restricted fund balance in the Special Revenue Fund Type.

Control procedures not properly developed related to the financial statements limit management’s ability to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes. Additionally, management will not have the necessary information to make timely and well-informed business decisions.

**VILLAGE OF OSTRANDER
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2020 AND 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)	
Finding Number	2020-001 – (Continued)

We recommend the Village of Ostrander implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements and related notes prior to presenting them to the auditors. A second review of the monthly cash activity and financial statements by someone other than the individual preparing them would be beneficial.

Client Response: The Village Fiscal Officer will more closely examine HINKLE filed report prior to filing and will record future permits in the appropriate receipt classifications.

Finding Number	2020-002
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Material Weakness/Noncompliance – Purchase Order Noncompliance:

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Village did not utilize purchase orders during 2020 or 2019.

Without certification, the Village may expend more funds than available in the Treasury, in the process of collection or in the funds appropriated. It may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. A policy and procedure statement adopted by the Council and distributed at least annually may be beneficial. The Village should consider using “Then” and “Now” certificates where applicable.

Client Response: The Village will evaluate the internal controls and procedures necessary to implement a purchase order system for the future.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF OSTRANDER

DELAWARE 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