



**VILLAGE OF AMESVILLE
ATHENS COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2020-2019**

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Vienna, WV 26105
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St. Clairsville, OH 43950
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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Amesville
18 South Maple Street
Amesville, Ohio 45711

We have reviewed the *Independent Auditor's Report* of the Village of Amesville, Athens County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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 Amesville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

March 24, 2022

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VILLAGE OF AMESVILLE
ATHENS COUNTY

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INDEPENDENT AUDITOR'S REPORT

November 24, 2021

Village of Amesville
Athens County
18 S Maple Street
Amesville, Ohio 45750

To the 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 as of and for the years ended December 31, 2020 and December 31, 2019, and related notes of the Village of Amesville, Athens County, Ohio (the Village).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village'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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 2 of the 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 America (GAAP), to satisfy these requirements.

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

Though the Village 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, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2020 and December 31, 2019, and related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 16 to the financial statements for 2020 and Note 15 to the financial statements for 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. As discussed in Note 15 to the financial statements for 2020 the Village made a change to its reporting model. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 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.



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

VILLAGE OF AMESVILLE, OHIO
ATHENS 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	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 31,220	\$ 13,996	\$ -	\$ 45,216
Intergovernmental	11,964	24,653	-	36,617
Earnings on Investments	305	71	-	376
Miscellaneous	1,768	-	-	1,768
<i>Total Cash Receipts</i>	<u>45,257</u>	<u>38,720</u>	<u>-</u>	<u>83,977</u>
Cash Disbursements				
Current:				
Security of Persons and Property	5,752	14,221	-	19,973
Public Health Services	-	1,610	-	1,610
Leisure Time Activities	-	10,925	-	10,925
Transportation	-	1,888	-	1,888
General Government	22,294	8,641	-	30,935
Capital Outlay	-	-	11,247	11,247
<i>Total Cash Disbursements</i>	<u>28,046</u>	<u>37,285</u>	<u>11,247</u>	<u>76,578</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>17,211</u>	<u>1,435</u>	<u>(11,247)</u>	<u>7,399</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds	-	-	7,688	7,688
Transfers In	-	289	-	289
Transfers Out	(1,499)	-	-	(1,499)
Advances In	3,000	3,000	-	6,000
Advances Out	(3,000)	(3,000)	-	(6,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,499)</u>	<u>289</u>	<u>7,688</u>	<u>6,478</u>
<i>Net Change in Fund Cash Balances</i>	15,712	1,724	(3,559)	13,877
<i>Fund Cash Balances, January 1</i>	<u>37,396</u>	<u>24,219</u>	<u>18,591</u>	<u>80,206</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 53,108</u>	<u>\$ 25,943</u>	<u>\$ 15,032</u>	<u>\$ 94,083</u>

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

**VILLAGE OF AMESVILLE, OHIO
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 85,013
<i>Total Operating Cash Receipts</i>	85,013
Operating Cash Disbursements	
Personal Services	27,887
Employee Fringe Benefits	4,069
Contractual Services	12,739
Supplies and Materials	12,852
Other	216
<i>Total Operating Cash Disbursements</i>	57,763
<i>Operating Income (Loss)</i>	27,250
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	1,042
Capital Outlay	(180)
Principal Retirement	(24,612)
<i>Total Non-Operating Receipts (Disbursements)</i>	(23,750)
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	3,500
Transfers In	1,210
<i>Net Change in Fund Cash Balances</i>	4,710
<i>Fund Cash Balances, January 1</i>	30,441
<i>Fund Cash Balances, December 31</i>	\$ 35,151

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

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

Note 1 - Reporting Entity

The Village of Amesville (the Village), Athens County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with ABA Firefighters, Inc. for fire protection and emergency services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in a public entity risk pool and is associated with a related organization. Note 7 and 12 below to the financial statements provides additional information for these entities. 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 which are all organized on a fund type basis.

Fund Accounting

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

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

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

The Streets 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.

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.

The Permissive Motor Vehicle Fund accounts for and reports money funds distributed to the Village from vehicle registration municipal permissive tax funds for use in accordance with statute.

The Parks and Recreation Fund accounts for and reports levy proceeds plus money transferred from the General Fund for use in providing park services to the Village.

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Special Revenue Funds (Continued)

The Fire Levy Fund accounts for and reports levy proceeds for use in providing fire and emergency services to the Village.

The Police Levy Fund accounts for and reports levy proceeds plus money transferred from the General Fund for use in providing police services to the Village.

Coronavirus Relief Fund accounts for and reports monies received from state and federal agencies related to the corona virus.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village used the following significant capital project funds:

In the *Other Capital Projects - EPA Fund*, the Ohio EPA pays contractors directly and in some instances, pays the Village which, in turn, pays the contractor.

In the *Other Capital Projects - ODSA Fund*, the Village receives money from the Ohio Development Services Agency and the Village, in turn, pays the contractor.

In the *Other Capital Projects - OPWC Fund*, the Ohio Public Works Commission pays the contractors directly.

In the *Other Capital Projects - ARC Fund*, the Appalachian Regional Commission pays most expenses directly. As to payments to the engineering company which did the design work the ARC sends money to the Village and, in turn, the Village pays the engineering company.

A new capital projects fund was created in 2018 to hold a donation from a former Councilperson who passes away. It is called *Fund 4905 – Other Capital Projects-O'Donnell*. Money from the O'Donnell estate was placed in the General Fund when it was received. The money was transferred from the General Fund to the 4905 Fund by a decision of Village Council and committed by Council. The purposes for which funds may be spent from Fund 4905 are: to accumulate resources for the acquisition, construction, or improvement of fixed assets of the Village, including but not limited to a police cruiser, water distribution lines.

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:

The *Water Operating Fund* accounts for and reports money paid by account holders for water services provided to Village Residents and certain persons residing outside Village boundaries.

The *Water Deposit Fund* accounts for and reports money paid by water and sewer account holders for water and sewer services.

The *Sewer Operating Fund* accounts for and reports money paid by account holders for sewer services provided to Village residents.

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

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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 reappropriated in the subsequent year.

A summary of 2020 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. The Village owns 5 certificates of deposit in a bank insured by the Federal Deposit Insurance Corp.

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

Note 3 - Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Coronavirus Relief Fund for the year ending December 31, 2020. Also contrary to Ohio Law, appropriation authority exceeded estimated resources in the Park Grant Fund for the year ending December 31, 2020.

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

Note 4 - 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	\$ 39,400	\$ 45,257	\$ 5,857
Special Revenue	41,611	39,009	(2,602)
Capital Projects	7,688	7,688	-
Enterprise	81,300	87,265	5,965
Total	\$ 169,999	\$ 179,219	\$ 9,220

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 45,247	\$ 29,545	\$ 15,702
Special Revenue	53,736	37,285	16,451
Capital Projects	26,279	11,247	15,032
Enterprise	103,635	82,555	21,080
Total	\$ 228,897	\$ 160,632	\$ 68,265

Note 5 – Deposits and Investments

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

	2020
Cash Management Pool:	
Demand deposits	\$ 92,234
Certificates of deposit	37,000
Total carrying amount of deposits and investments held in the Pool (ties to FS)	129,234
 Segregated Accounts - Not held in the Pool:	
Utility Clearing Account	6,739
Total Outside Accounts	6,739
 Total Deposits and Investments	 \$135,973

The Village has a utility clearing account that is held outside of the deposit pool where utility revenues are held for distribution. The balance in the Village's utility clearing account represents utility revenues that have not been transferred.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

Note 7 - Risk Management

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 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. Effective November 1, 2020, the OPRM's property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	\$ 18,826,974
Liabilities	<u>(13,530,267)</u>
Members' Equity	<u>\$ 5,296,707</u>

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

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

Note 7 - Risk Management (Continued)

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Note 9 - 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.

Note 10 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
OWDA 4738	\$ 159,976	0%
OPWC CR14J	38,250	0%
OWDA 7945	114,504	0%
OPWC CR27U	60,903	0%
Total	<u>\$ 373,633</u>	

The OWDA Loan #4738 relates to the decentralized wastewater system. The loan is a zero interest loan with semiannual payments of \$10,665 and is repaid from the Sewer Operating Fund. The loan is collateralized by wastewater receipts.

The OWDA Loan #7945 related to water system improvements. The loan is a zero interest loan repaid from the Other Capital Projects – EPA Fund as the project is still in progress. The loan is collateralized by water receipts.

The OPWC Loan #CR14J related to the wastewater system. The loan is a zero interest loan with semiannual installments of \$2,250 over 20 years and repaid from the Sewer Operating Fund. The loan is collateralized by wastewater receipts.

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

Note 10 – Debt (Continued)

The OPWC Loan #CR27U relates to water system improvements. The loan is a zero interest loan repaid from the Water Operating Fund. The loan is collateralized by water receipts.

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	OWDA 4738	OPWC CR14J	OPWC CR27U
2021	\$ 21,330	\$ 4,500	\$ 2,065
2022	21,330	4,500	2,065
2023	21,330	4,500	2,065
2024	21,330	4,500	2,065
2025	21,330	4,500	2,065
2026-2030	53,326	15,750	10,325
2031-2035	-	-	10,325
2036-3040	-	-	10,325
2041-2045	-	-	10,325
2046-2050	-	-	9,278
Total	<u>\$ 159,976</u>	<u>\$ 38,250</u>	<u>\$ 60,903</u>

We noted that no amortization schedule is available for the OWDA loan #7945 as the project is still in progress.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 12 – Related Party Transactions

During 2020, the Village officials contracted with Klaerfield Gardens for landscaping services and materials. Klaerfield Gardens is owned by the spouse of Council Member Barb Klaer. The Village paid Klaerfield Gardens \$10,723 in 2020. Council Member Klaer abstained from all voting related to the award of this contract.

Note 13 – Subsequent Events

No subsequent events noted as of November 24, 2021.

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

Note 14 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Unclaimed Monies	\$ -	\$ -	\$ -	\$ -
Corpus	-	-	-	-
Outstanding Encumbrances	-	-	-	-
<i>Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – 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 16 – 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. 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.

**VILLAGE OF AMESVILLE, OHIO
ATHENS 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	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 24,610	\$ 12,118	\$ -	\$ 36,728
Intergovernmental	11,175	24,225	215,725	251,125
Earnings on Investments	304	71	-	375
Miscellaneous	3,861	1,300	-	5,161
<i>Total Cash Receipts</i>	<u>39,950</u>	<u>37,714</u>	<u>215,725</u>	<u>293,389</u>
Cash Disbursements				
Current:				
Security of Persons and Property	3,837	6,985	-	10,822
Leisure Time Activities	-	18,545	-	18,545
Transportation	-	7,336	-	7,336
General Government	27,661	1,000	-	28,661
Capital Outlay	-	-	294,708	294,708
<i>Total Cash Disbursements</i>	<u>31,498</u>	<u>33,866</u>	<u>294,708</u>	<u>360,072</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>8,452</u>	<u>3,848</u>	<u>(78,983)</u>	<u>(66,683)</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds	-	-	68,987	68,987
Transfers In	-	5,000	-	5,000
Transfers Out	(5,000)	-	-	(5,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(5,000)</u>	<u>5,000</u>	<u>68,987</u>	<u>68,987</u>
<i>Net Change in Fund Cash Balances</i>	3,452	8,848	(9,996)	2,304
<i>Fund Cash Balances, January 1</i>	<u>33,944</u>	<u>15,371</u>	<u>28,587</u>	<u>77,902</u>
Fund Cash Balances, December 31				
Restricted	-	24,219	18,591	42,810
Unassigned	37,396	-	-	37,396
<i>Fund Cash Balances, December 31</i>	<u>\$ 37,396</u>	<u>\$ 24,219</u>	<u>\$ 18,591</u>	<u>\$ 80,206</u>

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

**VILLAGE OF AMESVILLE, OHIO
ATHENS COUNTY**

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

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 78,648
<i>Total Operating Cash Receipts</i>	78,648
Operating Cash Disbursements	
Personal Services	17,102
Employee Fringe Benefits	3,144
Contractual Services	14,120
Supplies and Materials	14,898
Other	915
<i>Total Operating Cash Disbursements</i>	50,179
<i>Operating Income (Loss)</i>	28,469
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	2,310
Capital Outlay	(200)
Principal Retirement	(25,830)
<i>Total Non-Operating Receipts (Disbursements)</i>	(23,720)
<i>Net Change in Fund Cash Balances</i>	4,749
<i>Fund Cash Balances, January 1</i>	25,692
<i>Fund Cash Balances, December 31</i>	\$ 30,441

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

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

Note 1 - Reporting Entity

The Village of Amesville (the Village), Athens County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with ABA Firefighters, Inc. for fire protection and emergency services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in a public entity risk pool and is associated with a related organization. Note 7 and 13 below to the financial statements provides additional information for these entities. 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 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:

The Streets 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.

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.

The Permissive Motor Vehicle Fund accounts for and reports money funds distributed to the Village from vehicle registration municipal permissive tax funds for use in accordance with statute.

The Parks and Recreation Fund accounts for and reports levy proceeds plus money transferred from the General Fund for use in providing park services to the Village.

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Special Revenue Funds (Continued)

The Fire Levy Fund accounts for and reports levy proceeds for use in providing fire and emergency services to the Village.

The Police Levy Fund accounts for and reports levy proceeds plus money transferred from the General Fund for use in providing police services to the Village.

Coronavirus Relief Fund accounts for and reports monies received from state and federal agencies related to the corona virus.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village used the following significant capital project funds:

In the *Other Capital Projects - EPA Fund*, the Ohio EPA pays contractors directly and in some instances, pays the Village which, in turn, pays the contractor.

In the *Other Capital Projects - ODSA Fund*, the Village receives money from the Ohio Development Services Agency and the Village, in turn, pays the contractor.

In the *Other Capital Projects - OPWC Fund*, the Ohio Public Works Commission pays the contractors directly.

In the *Other Capital Projects - ARC Fund*, the Appalachian Regional Commission pays most expenses directly. As to payments to the engineering company which did the design work the ARC sends money to the Village and, in turn, the Village pays the engineering company.

A new capital projects fund was created in 2018 to hold a donation from a former Councilperson who passes away. It is called *Fund 4905 – Other Capital Projects-O'Donnell*. Money from the O'Donnell estate was placed in the General Fund when it was received. The money was transferred from the General Fund to the 4905 Fund by a decision of Village Council and committed by Council. The purposes for which funds may be spent from Fund 4905 are: to accumulate resources for the acquisition, construction, or improvement of fixed assets of the Village, including but not limited to a police cruiser, water distribution lines.

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:

The *Water Operating Fund* accounts for and reports money paid by account holders for water services provided to Village Residents and certain persons residing outside Village boundaries.

The *Water Deposit Fund* accounts for and reports money paid by water and sewer account holders for water and sewer services.

The *Sewer Operating Fund* accounts for and reports money paid by account holders for sewer services provided to Village residents.

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

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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

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

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

A summary of 2019 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. The Village owns 5 certificates of deposit in a bank insured by the Federal Deposit Insurance Corp.

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.

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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 Village Council or a Village official delegated that authority by resolution, or by State Statute.

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.

Note 3 - Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the OPWC Fund for the year ending December 31, 2019. Also contrary to Ohio Law, appropriation authority exceeded estimated resources in the General Fund and the Parks and Recreation Fund for the year ending December 31, 2019.

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

Note 4 - 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	\$ 38,325	\$ 39,950	\$ 1,625
Special Revenue	32,625	42,714	10,089
Capital Projects	21,748	268,732	246,984
Enterprise	92,650	80,958	(11,692)
Total	\$ 185,348	\$ 432,354	\$ 247,006

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 77,281	\$ 36,525	\$ 40,756
Special Revenue	58,217	34,104	24,113
Capital Projects	413,526	278,728	134,798
Enterprise	84,963	76,580	8,383
Total	\$ 633,987	\$ 425,937	\$ 208,050

Note 5 – Deposits and Investments

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

	2019
Demand deposits	\$ 73,647
Certificates of deposit	37,000
Total deposits	\$ 110,647

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

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

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

Note 7 - Risk Management

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 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	(11,329,011)
Members' Equity	<u>\$ 4,591,493</u>

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

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

Note 7 - Risk Management (Continued)

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

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Note 9 - 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.

Note 10 – Debt

Debt outstanding as of December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA 4738	\$ 181,306	0%
OPWC CR14J	40,500	0%
OWDA 7945	106,816	0%
OPWC CR27U	61,935	0%
Total	<u>\$ 390,557</u>	

The OWDA Loan #4738 relates to the decentralized wastewater system. The loan is a zero interest loan with semiannual payments of \$10,665 and is repaid from the Sewer Operating Fund. The loan is collateralized by wastewater receipts.

The OWDA Loan #7945 related to water system improvements. The loan is a zero interest loan repaid from the Other Capital Projects – EPA Fund as the project is still in progress. The loan is collateralized by water receipts.

The OPWC Loan #CR14J related to the wastewater system. The loan is a zero interest loan with semiannual installments of \$2,250 over 20 years and repaid from the Sewer Operating Fund. The loan is collateralized by wastewater receipts. The balance reported in the 2018 financial statements was shown as \$45,955 when it should have been \$45,000.

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

Note 10 – Debt (Continued)

The OPWC Loan #CR27U relates to water system improvements. The loan is a zero interest loan repaid from the Water Operating Fund. The loan is collateralized by water receipts.

In 2018 the activity for the OPWC CT03U was reported with a balance of \$88,002. This activity was actually for a grant, not a loan.

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	OWDA 4738	OPWC CR14J
2020	\$ 10,665	\$ 4,500
2021	21,330	4,500
2022	21,330	4,500
2023	21,330	4,500
2024	21,330	4,500
2025-2029	85,321	18,000
Total	<u>\$ 181,306</u>	<u>\$ 40,500</u>

We noted that no amortization schedules are available for the OWDA loan #7945 and OPWC Loan CR27U as the projects are still in progress.

Note 11 – Construction and Contractual Commitments

The Village has a contract for the upgrade of its water treatment system and its water storage tank in the amount \$589,200 with TAM Construction Co. This contract is currently under way but has not been complete as of December 31, 2019.

Note 12 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 13 – Related Party Transactions

During 2019, the Village officials contracted with Klaerfield Gardens for landscaping services and materials. Klaerfield Gardens is owned by the spouse of Council Member Barb Klaer. The Village paid Klaerfield Gardens \$10,265 in 2019. Council Member Klaer abstained from all voting related to the award of this contract.

Note 14 – Subsequent Events

The Village incurred debt with the OPWC and the Ohio EPA during 2020. No other subsequent events noted as of November 24, 2021.

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

Note 15 – 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. 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.



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740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

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

November 24, 2021

Village of Amesville
Athens County
18 S Maple Street
Amesville, Ohio 45750

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 cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2020 and December 31, 2019, and related notes of the **Village of Amesville**, Athens County, (the Village) and have issued our report thereon dated November 24, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village and the change to the cash basis reporting model.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of audit findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and a significant deficiency.

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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Villages's financial statements. We consider finding 2020-001 described in the accompanying schedule of audit findings to be a material weakness.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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Internal Control Over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2020-004 described in the accompanying schedule of audit findings to be a significant deficiency.

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 grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2020-002 and 2020-003.

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 report is not suitable for any other purpose.



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

**VILLAGE OF AMESVILLE
ATHENS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED 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

Posting Receipts

The Village should have procedures and controls in place to help prevent and detect errors in financial reporting.

During 2020 and 2019, receipts were not always posted correctly. The following errors were noted:

- Debt proceeds were not properly recorded during 2020 and 2019;

Not posting receipts or disbursements accurately resulted in the financial statements requiring adjustments. The Village has made all adjustments to its accounting system. The financial statements reflect all adjustments.

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

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

Management's Response – Officials did not provide a response to this finding.

FINDING NUMBER 2020-002

Noncompliance

Ohio Rev. Code Section 5705.39 provides that the total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure shall become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded estimated resources in the General Fund and the Parks and Recreation Fund in 2019 and the Park Grant Fund in 2020.

The Village should obtain a certificate from the County Auditor stating that the total appropriations do not exceed the total estimated resources whenever an amendment is made to the original appropriation measure.

Management's Response – Officials did not provide a response to this finding.

**VILLAGE OF AMESVILLE
ATHENS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-003

Noncompliance

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit shall make any expenditure of money unless the same has been properly appropriated.

Actual disbursements exceeded appropriations in the OPWC Fund in 2019 and the Coronavirus Relief Fund in 2020.

We recommend the Fiscal Officer modify appropriations with the Village Council and County Budget Commission before incurring obligations that would cause expenditures to exceed appropriations. The Village Fiscal Officer should deny any payments until the legislative authority has passed the necessary changes to the appropriation measure.

Management's Response – Officials did not provide a response to this finding.

FINDING NUMBER 2020-004

Significant Deficiency

Cash Reconciliations – Utility Clearing Account

A necessary step in the internal control over financial reporting is to reconcile the bank balance to the accounting record's cash balance. Bank reconciliation means accounting for the differences between the bank statement's balances and the cash balances according to the entity's records at a specific point in time.

During 2020 and 2019, our testing revealed the utility clearing account had outstanding balances each month and was not being properly reconciled on a monthly basis. The utility clearing bank account should have a \$0 book balance.

Because this bank account does not clear out at the end of December, the revenue received in December is not accounted for until January of the subsequent year. This causes both cash and revenue in the enterprise accounts to be understated at year end. Cash balances are understated by \$6,739 and \$6,388 in 2020 and 2019, respectively.

The Village should perform and complete monthly bank reconciliations in a timely manner. All unreconciled differences should be resolved as quickly as possible so they are not carried forward month-to-month and all reconciling matters should be appropriately documented.

Management's Response – Officials did not provide a response to this finding.

**VILLAGE OF AMESVILLE
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Finding Number	Finding Summary	Status	Additional Information
2018-001	Posting Receipts, Disbursements and Fund Balances	Not Corrected	Repeated as Finding 2020-001
2018-002	Ohio Rev. Code Section 5705.39	Not Corrected	Repeated as Finding 2020-002
2018-003	Ohio Rev. Code Section 5705.41(B)	Not Corrected	Repeated as Finding 2020-003

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF AMESVILLE

ATHENS 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 4/5/2022

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