

VILLAGE OF BATAVIA
CLERMONT COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020



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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Batavia
65 North Second Street
Batavia, Ohio 45103

We have reviewed the *Independent Auditor's Report* of the Village of Batavia, Clermont County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2020 through December 31, 2021. 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 Batavia 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

December 27, 2022

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Village of Batavia
Clermont County
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Independent Auditor's Report

Village Council
Village of Batavia
Clermont County
65 North Second Street
Batavia, Ohio 45103

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Batavia, Clermont County, Ohio, (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021, and 2020 and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2021 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

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

Emphasis of Matter

As discussed in Note 15 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

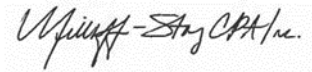
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

November 28, 2022

Village of Batavia
Clermont County
Combined Statement of Cash Receipts, Cash Disbursements and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2021

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Local Taxes	\$ 81,985	\$ -	\$ -	\$ -	\$ 81,985
Municipal Income Tax	1,906,505	-	-	-	1,906,505
Intergovernmental	48,874	244,286	-	-	293,160
Special Assessments	-	-	17,232	1,654	18,886
Charges for Services	6,792	38,981	-	-	45,773
Fines, Licenses and Permits	30,904	4,918	-	-	35,822
Earnings on Investments	2,024	64	-	-	2,088
Miscellaneous	42,336	2,814	-	-	45,150
Total Cash Receipts	2,119,420	291,063	17,232	1,654	2,429,369
Cash Disbursements:					
Security of Persons and Property	599,412	96,545	-	-	695,957
Public Health Services	35,108	-	-	-	35,108
Community Environment	-	451	-	-	451
Basic Utility Services	-	-	204	-	204
Transportation	-	518,113	-	34,330	552,443
General Government	541,450	27,677	-	-	569,127
Capital Outlay	-	18,950	-	1,071,987	1,090,937
Debt Service:					
Redemption of Principal	20,372	-	20,000	268,774	309,146
Interest and Other Fiscal Charges	104,409	-	4,100	128,050	236,559
Total Cash Disbursements	1,300,751	661,736	24,304	1,503,141	3,489,932
Excess of Receipts Over (Under) Disbursements	818,669	(370,673)	(7,072)	(1,501,487)	(1,060,563)
Other Financing Receipts (Disbursements):					
Sale of Capital Assets	12,161	-	-	-	12,161
Transfers In	-	398,000	-	250,000	648,000
Transfers Out	(648,000)	-	-	-	(648,000)
Total Other Financing Receipts (Disbursements)	(635,839)	398,000	-	250,000	12,161
Net Change in Fund Cash Balances	182,830	27,327	(7,072)	(1,251,487)	(1,048,402)
Fund Cash Balances, January 1	986,709	194,157	786	1,460,502	2,642,154
Fund Cash Balances (Deficit), December 31	\$ 1,169,539	\$ 221,484	\$ (6,286)	\$ 209,015	\$ 1,593,752

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

**Village of Batavia
Clermont County**
*Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances
All Proprietary Fund Types
For the Year Ended December 31, 2021*

	Proprietary Fund Type
	Enterprise
Cash Receipts:	
Charges for Services	\$ 757,934
Total Cash Receipts	757,934
Cash Disbursements:	
Contractual Services	176,599
Other	620,256
Total Operating Disbursements	796,855
Operating Income/(Loss)	(38,921)
Non-Operating Cash Receipts (Disbursements):	
Intergovernmental	36,760
Special Assessments	13
Principal	(48,407)
Capital Outlay	(238,798)
Other Debt Proceeds	202,038
Miscellaneous	1,854
Total Non-Operating Cash Receipts (Disbursements)	(46,540)
Net Receipts Over/(Under) Disbursements	(85,461)
Fund Cash Balances, January 1	288,748
Fund Cash Balances, December 31	\$ 203,287

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

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio established the rights and privileges of the Village of Batavia, Clermont County, (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides street maintenance and construction and police services. The Village contracts with Clermont County Water & Sewer Department to provide water and sewer services to its residents. The Village contracts with Rumpke to provide refuse pickup services.

Joint Ventures, Jointly-Governed Organizations, Public Risk Pools, Component Unit and Related Organizations

The Village participates with Batavia Township to jointly support the Batavia Union Cemetery which is partly located within the Village and partly located within the Township. See Note 13 for additional information. The Village also participates in the Public Entity Risk Pool. See Note 14 for additional information. The Village also has a component unit. See Note 16 for additional information.

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 (cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all enterprise funds 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:

Street Construction, Maintenance and Repair 1 Fund - This fund receives transfers from the general fund, gasoline tax and motor vehicle tax money for personnel expenses for constructing, maintaining, and repairing Village streets.

Street Construction, Maintenance and Repair 2 Fund - This fund receives transfers from the general fund, gasoline tax and motor vehicle tax money for supplies and contractual expenses for constructing, maintaining, and repairing Village streets.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Coronavirus Relief Fund - This fund receives Coronavirus Relief Funding through the Ohio Office of Management and Budget (OMB) as a result of legislation from the Ohio General Assembly and the Ohio Controlling Board allocating federal funding.

American Rescue Fund - This fund receives Coronavirus Relief Funding through the Ohio Office of Management and Budget (OMB) as a result of legislation from the Ohio General Assembly and the Ohio Controlling Board allocating federal funding. A provision of the legislation allows funds to be used for investment in water, sewer, band broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Debt Service Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Clark-Glen-Ely Sewer Assessment Fund - This fund is used to accumulate resources for the payment of bonds and note indebtedness.

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

Capital Projects Fund - This fund receives transfers from the general fund and special assessment funds for the acquisition or construction of capital facilities and other capital assets and the construction of streets.

Street Capital Projects Fund - This fund receives transfers from the general fund and special assessment funds for the construction of streets and to repay loans issued for these costs.

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

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

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

Trash Fund - This fund receives charges for services from residents to cover trash and refuse removal service costs.

Fiduciary Funds - Fiduciary funds include private purpose trust funds, investment trust funds and custodial funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village had no fiduciary funds.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

A summary of 2021 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis does not include any investments other than deposits at a commercial bank.

Capital Assets

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

Accumulated Leave

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

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

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Non-spendable - The Village classifies assets as *non-spendable* 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 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, the Village had appropriations in excess of estimated resources in the Drug Law Enforcement and Street Capital Project Funds. Contrary to Ohio law, expenditures exceeded appropriations in the Sewer Operating and CGE Sewer Assessment funds.

Note 4 – Budgetary Activity

Budgetary activity for the year ended December 31, 2021 follows:

<u>Fund Type</u>	<u>2021 Budgeted vs. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$1,804,640	\$2,131,581	\$326,941
Special Revenue	\$627,585	\$689,063	\$61,478
Debt Service	\$17,000	\$17,232	\$232
Capital Projects	\$351,000	\$251,654	(\$99,346)
Enterprise	<u>\$766,900</u>	<u>\$998,599</u>	<u>\$231,699</u>
Total	<u>\$3,567,125</u>	<u>\$4,088,129</u>	<u>\$521,004</u>

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

2021 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,323,902	\$1,957,285	\$366,617
Special Revenue	\$684,858	\$664,837	\$20,021
Debt Service	\$17,800	\$24,304	(\$6,504)
Capital Projects	\$1,903,420	\$1,503,171	\$400,249
Enterprise	<u>\$911,546</u>	<u>\$1,084,060</u>	<u>(\$172,514)</u>
Total	<u>\$5,841,526</u>	<u>\$5,233,657</u>	<u>\$607,869</u>

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:

	2021
Demand deposits	\$63,473
Other time deposits	<u>\$6</u>
Total deposits	<u>\$63,479</u>
Repurchase agreements	<u>\$1,555,785</u>
Total Investments	<u>\$1,555,785</u>
Bond Proceeds Escrow	<u>\$177,775</u>
Total Bond Escrow	<u>\$177,775</u>
Total deposits and investments	<u>\$1,797,039</u>

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

Investments: The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name.

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 is due the following June 20.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

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

LOCAL INCOME TAX

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of certain residents earned outside of the Village. Effective July 1, 2019 the Village of Batavia turned over collection and administration of its municipal income tax to the Reginal Income Tax Agency.

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

Note 7 – Risk Management

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

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

Risk of Pool Membership

The (local entity) is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity’s) policy. The Pool covers the following risks:

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

PEP’s financial statements (audited by other accountants) conforms with generally accepted accounting principles and reported the following assets, liabilities and net position at December 31:

2021

Cash and investments \$ 41,996,850

Actuarial liabilities \$14,974,099

During 2021, the Village did not have to pay for any losses that exceeded insurance coverage.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Self-Insurance

The Village provides health insurance to full-time employees through Anthem Ohio Blue Cross-Blue Shield. In order to reduce the health insurance premium expense, the health insurance has a high annual deductible of \$12,000 per employee. The Village covers the employees for that deductible through a self-insurance program managed by ClaimLinx. The Village annually budgets \$12,000 of insurance expense per employee, although no employee has ever incurred health insurance expenses of \$12,000.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All of the Village's employees, except certified full-time Police Officers, 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 through December 31, 2021.

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2021.

Note 9 – Post-Employment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. OPERS contributes 4 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

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

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 10 - Debt

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
1) OPWC CU17G Water Line Improvement	\$12,500	0%
2) C-G-E Sewer Improvement Special Assessment	\$60,000	2.00% - 5.25%
3) OPWC CJ24Q Streetscape Improvement Loan	\$878,843	0%
4) OPWC CJ26R Wastewater Major Remedial Loan	\$183,567	0%
5) OPWC CJ26S Broadway & Spring Water Main Loan	\$154,188	0%
6) OPWC CJ06U 2017 Cast Iron Water Main Replace	\$202,441	0%
7) OPWC CJ08U Bauer Rd. Resurface	\$45,392	0%
8) Streamside Capital Imp. Sp. Assessment Rev. Bd.	\$3,000,000	3.00-3.75%
9) OPWC CJ19V E Main/Riverside Storm Drain	\$65,251	0%
10) 2-year Vehicle Loan – Police Cruiser	\$0	3.25%
11) Debt Refunding Capital Improvement	\$4,085,000	2.00%-3.50%
12) 2-Year Vehicle Loan – 2019 Dodge Ram Pickup	\$13,787	5.50%
13) 1-Year Vehicle Loan – Police Cruiser	\$0	3.75%
14) 5-Year Vehicle Loan – 2019	\$75,862	5.25%
15) OPWC – CJ22W Sanitary Sewer Loan	<u>\$191,936</u>	0%
	<u>\$8,968,767</u>	

1) The Ohio Public Works Commission (OPWC) loan (#CU17G) relates to a waterline addition. The OPWC approved a \$100,000 loan at zero interest to the Village for this project. The loan will be repaid in semiannual installments of \$2,500 over 20 years and will be paid off in 2024. The loan is collateralized by water and sewer receipts.

2) The Sewer Improvement Special Assessment Bonds were issued on August 31, 2004. The bonds were to be used for the purpose of paying part of the cost of sanitary sewers on Clark, Glen and Ely Streets within the Village. The bonds will mature in 2024.

3) The Ohio Public Works Commission (OPWC) loan (#CJ24Q) relates to streetscape improvements. The OPWC approved a \$1,352,066 loan at zero interest to the Village for this project in 2013. The loan will be repaid in semiannual installments of \$33,801.65 over 20 years and will be paid off in 2024.

4) The Ohio Public Works Commission (OPWC) Wastewater Major Remedial loan (#CJ26R) relates to a sewer remedial project. The OPWC approved a \$260,500 loan at zero interest to the Village for this project in 2015, but the Village only borrowed \$224,776.00 to complete the project. The loan will be repaid in semiannual installments of \$3,746.27 over 30 years and will be paid off in 2046.

5) The Ohio Public Works Commission (OPWC) Broadway & Spring Water Main loan (#CJ26S) relates to a waterline replacement project. The OPWC approved a \$260,975 loan at zero interest to the Village for this project in 2015, but the Village only borrowed \$205,584.60 to complete the project. The loan will be repaid in semiannual installments of \$5,139.62 over 20 years and will be paid off in 2036.

6) The Ohio Public Works Commission (OPWC) Cast Iron Water Main Replacement loan (#CJ06U) relates to a water main replacement project in 2017. The OPWC approved a \$240,671 loan at zero interest to the Village for this project in 2017, but the Village only borrowed \$238,166.67 to complete the project. The loan will be repaid in semiannual installments of \$5,954.17 over 20 years and will be paid off in 2038.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

7) The Ohio Public Works Commission (OPWC) Bauer Road Resurface loan (#CJ08U) relates to a project to resurface Bauer Road and reconfigure the intersection at Bauer Road and Hospital Drive. The OPWC approved a \$55,021 loan at zero interest to the Village for this project in 2017. The loan will be repaid in semiannual installments of \$1,376 over 20 years and will be paid off in 2038.

8) The Streamside Residential Development Capital Improvement Special Assessment Revenue Bonds were issued on October 3, 2019. The \$3 million bonds were to be used for the purpose of paying the cost of constructing and installing public improvements within a Community Reinvestment Area in the Village. The bonds will be repaid by an assessment under a Payment In Lieu of Real Estate Taxes Agreement and will mature in 2045.

9) The Ohio Public Works Commission (OPWC) E. Main/Riverside Storm Drain loan (#CJ19V) relates to a project repair the storm drain outflow to East Fork of Little Miami River. The OPWC approved a \$72,500 loan at zero interest to the Village for this project in 2019. The loan will be repaid in semiannual installments of \$1,813 over 20 years and will be paid off in 2040.

10) In 2020, the Village took out a 2-year \$15,170 vehicle loan for a 2017 Ford police cruiser from Sharefax Credit Union. The loan matured in September 2021.

11) The Village issued a \$4,250,000 revenue bond on August 5, 2020. The proceeds were used to refund the \$2,250,000 balance on the 2013 E Main Street bond (loan #3 above) at a lower interest rate and to pay off the 1-year \$300,000 Armory Renovation Note (loan #12 above). The \$1,700,000 balance on the bond was designated for capital improvements. The bond will be paid off in semiannual installments over 20 years that start at \$82,500 and increase to \$140,000 so that annual interest and principal payments always total between \$288,000 and \$292,000. The bond will be paid off in 2040. The bond will be repaid from income tax revenue.

12) In 2020, the Village took out a 2-year \$43,364 vehicle loan from Sharefax Credit Union for a 2019 Dodge pickup truck for the street department. The loan matures in April 2022.

13) In 2020, the Village took out a 1-year \$25,800 vehicle loan from Sharefax Credit Union for a 2015 Ford Police Cruiser. The loan matures in December 2021.

14) In 2020, the Village took out a 5-year \$94,827 vehicle loan from Sharefax Credit Union for a 2019 Dump Truck. The loan matures in April 2025.

15) The Ohio Public Works Commission (OPWC) Sanitary Sewer loan (#CJ22W) relates to a project to make improvements to the Sanitary Sewer Collection System. The OPWC approved a \$202,038 loan at zero interest to the Village for this project in 2021. The loan will be repaid in semiannual installments of \$5,051 over 20 years and will be paid off in 2041.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

	Debt #1	Debt #2	Debt #3	Debt #4	Debt #5	Debt #6
	CU17G	Bank NY	CJ24Q	CJ26R	CJ26S	CJ06GU
	OPWC	C-G-E	OPWC	OPWC	OPWC	OPWC
	Water	Sewer	Street	Street	Water	Water
2022	\$ 5,000	\$ 23,100	\$ 67,603	\$ 7,493	\$ 10,279	\$ 11,908
2023	5,000	21,080	67,603	7,493	10,279	11,908
2024	2,500	21,050	67,603	7,493	10,279	11,908
2025	-	-	67,603	7,493	10,279	11,908
2026	-	-	67,603	7,493	10,279	11,908
2027-2031			338,017	37,463	51,396	59,542
2032-2036			202,811	37,463	51,397	59,542
2037-2041				37,463		23,817
2041-2046				33,713		
	\$ 12,500	\$ 65,230	\$ 878,843	\$ 183,567	\$ 154,188	\$ 202,441
	Debt #7	Debt #8	Debt #9	Debt #11	Debt #12	Debt #14
	CJ08U	Huntington	CJ19V	Huntington	Sharefax	Sharefax
	Bauer Rd	StreamSd	OPWC	Debt Refunded	Pickup	Dodge 5500
	Street	Rev Bonds	Sewer	Rev. Bond	Street	Street
2022	\$ 2,751	\$ 188,835	\$ 3,625	\$ 287,113	\$ 15,305	\$ 22,146
2023	2,751	186,285	3,625	288,813	-	22,146
2024	2,751	188,735	3,625	290,413	-	22,146
2025	2,751	186,035	3,625	291,038	-	22,146
2026	2,751	188,335	3,625	291,538	-	-
2027-2031	13,755	945,585	18,125	1,455,425		
2032-2036	13,755	942,320	18,125	1,448,237		
2037-2041	4,127	936,775	10,876	1,154,500		
2041-2046		942,313				
	\$ 45,392	\$ 4,705,218	\$ 65,251	\$ 5,507,077	\$ 15,305	\$ 88,584

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Debt #15	
	CJ22W	
	OPWC	
	Sewer Loan	TOTAL
2022	\$ 5,051	\$ 650,209
2023	10,102	637,085
2024	10,102	638,605
2025	10,102	612,980
2026	10,102	593,634
2027-2031	50,510	2,969,818
2032-2036	50,510	2,824,160
2037-2041	45,457	2,213,015
2041-2046		976,026
	\$ 191,936	\$ 12,115,532

Note 11 – Construction and Contractual Commitments

The Village has hired an engineer to design an improvement to the intersection of E. Main Street and N Riverside Dr. It is projected that the project will cost about \$1.2 million. The project will be funded with grants, loans and capital improvement bond funds.

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 upon prior experience, management believes any refunds would be immaterial.

Note 13 – Jointly Governed Organizations

The Batavia Union Cemetery is located partially in the Village of Batavia and partially in Batavia Township. The Batavia Union Cemetery Board is comprised of a member of Batavia Village Council, a member of the Batavia Township Trustees, and an at-large member. The cemetery is jointly funded by the Village and the Township.

Note 14 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan for workers' compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year term. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received \$103,861 in COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 16 – Component Unit

On March 14, 2016, the Village passed an ordinance to create the Clermont County Community Improvement Corporation, the CIC. The purpose of the CIC is to encourage and promote industrial, economic, commercial, and civic development of the Village of Batavia. The CIC's seven-member board consists of the entire Village Council and the Mayor. The CIC is considered a component unit of the Village. The CIC is audited separately, and the financial information of the CIC is not included in the accompanying financial statements due to the Village following the accounting provisions Ohio Revised Code Section 117.38 and OAC 117-2-03(C) permit.

Note 17 – Fund Balance

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. 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	Debt Service	Capital Projects	Total
Nonspendable:					
Unclaimed Monies	\$4,383	\$0	\$0	\$0	\$4,383
Outstanding Encumbrances	8,534	3,101	0	30	11,635
<i>Total</i>	<u>\$12,917</u>	<u>\$3,101</u>	<u>\$0</u>	<u>\$30</u>	<u>\$16,018</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. These restricted, committed and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Village of Batavia
Clermont County
Combined Statement of Cash Receipts, Cash Disbursements and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2020

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property and Other Local Taxes	\$ 70,028	\$ -	\$ -	\$ -	\$ 70,028
Municipal Income Tax	1,764,089	-	-	-	1,764,089
Intergovernmental	51,065	308,587	-	-	359,652
Special Assessments	-	-	17,058	1,029	18,087
Charges for Services	304	29,900	-	-	30,204
Fines, Licenses and Permits	27,807	4,921	-	-	32,728
Earnings on Investments	4,274	103	-	-	4,377
Miscellaneous	38,388	1,422	-	-	39,810
Total Cash Receipts	1,955,955	344,933	17,058	1,029	2,318,975
Cash Disbursements:					
Security of Persons and Property	619,858	72,730	-	-	692,588
Public Health Services	26,727	-	-	-	26,727
Community Environment	100	-	-	-	100
Basic Utility Services	-	-	16	-	16
Transportation	-	479,941	-	-	479,941
General Government	453,281	30,000	-	-	483,281
Capital Outlay	25,800	70,364	-	1,335,632	1,431,796
Debt Service:					
Redemption of Principal	307,442	28,280	15,000	2,285,176	2,635,898
Interest and Other Fiscal Charges	60,719	203	4,942	94,043	159,907
Total Cash Disbursements	1,493,927	681,518	19,958	3,714,851	5,910,254
Excess of Receipts Over (Under) Disbursements	462,028	(336,585)	(2,900)	(3,713,822)	(3,591,279)
Other Financing Receipts (Disbursements):					
Sale of Bonds	300,000	-	-	-	300,000
Transfers In	-	320,000	-	170,000	490,000
Transfers Out	(490,000)	-	-	-	(490,000)
Other Debt Proceeds	25,874	43,385	-	4,044,828	4,114,087
Total Other Financing Receipts (Disbursements)	(164,126)	363,385	-	4,214,828	4,414,087
Net Change in Fund Cash Balances	297,902	26,800	(2,900)	501,006	822,808
Fund Cash Balances, January 1	688,807	167,357	3,686	959,496	1,819,346
Fund Cash Balances, December 31	\$ 986,709	\$ 194,157	\$ 786	\$ 1,460,502	\$ 2,642,154

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

Village of Batavia
Clermont County
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances
All Proprietary Fund Types
For the Year Ended December 31, 2020

	Proprietary Fund Type
	Enterprise
Cash Receipts:	
Charges for Services	\$ 757,317
Total Cash Receipts	757,317
Cash Disbursements:	
Personal Services	245
Employee Fringe Benefits	125
Contractual Services	122,802
Other	580,108
Total Operating Disbursements	703,280
Operating Income/(Loss)	54,037
Non-Operating Cash Receipts (Disbursements):	
Intergovernmental	804,988
Special Assessments	562
Principal	(19,153)
Capital Outlay	(749,078)
Total Non-Operating Cash Receipts	37,319
Net Receipts Over/(Under) Disbursements	91,356
Fund Cash Balances, January 1	197,392
Fund Cash Balances, December 31	\$ 288,748

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

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio established the rights and privileges of the Village of Batavia, Clermont County, (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides street maintenance and construction and police services. The Village contracts with Clermont County Water & Sewer Department to provide water and sewer services to its residents. The Village contracts with Rumpke to provide refuse pickup services.

Joint Ventures, Jointly-Governed Organizations, Public Risk Pools, Component Unit and Related Organizations

The Village participates with Batavia Township to jointly support the Batavia Union Cemetery which is partly located within the Village and partly located within the Township. See Note 13 for additional information. The Village also participates in the Public Entity Risk Pool. See Note 14 for additional information. The Village also has a component unit. See Note 16 for additional information.

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 (cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all enterprise funds 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:

Street Construction, Maintenance and Repair 1 Fund - This fund receives transfers from the general fund, gasoline tax and motor vehicle tax money for personnel expenses for constructing, maintaining, and repairing Village streets.

Street Construction, Maintenance and Repair 2 Fund - This fund receives transfers from the general fund, gasoline tax and motor vehicle tax money for supplies and contractual expenses for constructing, maintaining, and repairing Village streets.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Coronavirus Relief Fund - This fund receives Coronavirus Relief Funding through the Ohio Office of Management and Budget (OMB) as a result of legislation from the Ohio General Assembly and the Ohio Controlling Board allocating federal funding.

Debt Service Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Clark-Glen-Ely Sewer Assessment Fund - This fund is used to accumulate resources for the payment of bonds and note indebtedness.

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

Capital Projects Fund - This fund receives transfers from the general fund and special assessment funds for the acquisition or construction of capital facilities and other capital assets and the construction of streets.

Street Capital Projects Fund - This fund receives transfers from the general fund and special assessment funds for the construction of streets and to repay loans issued for these costs.

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

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

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

Trash Fund - This fund receives charges for services from residents to cover trash and refuse removal service costs.

Fiduciary Funds - Fiduciary funds include private purpose trust funds, investment trust funds and custodial funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village had no fiduciary 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 Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

VILLAGE OF BATAVIA
CLERMONT COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 (except certain agency funds) be budgeted annually.

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

A summary of 2020 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis does not include any investments other than deposits at a commercial bank.

Capital Assets

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

Accumulated Leave

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

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:

Non-spendable - The Village classifies assets as *non-spendable* 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

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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, expenditures exceeded appropriations in all funds with expenditures for 2020. This was due to appropriations not being filed with the County.

Note 4 – Budgetary Activity

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

<u>2020 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$2,239,852	\$2,281,829	\$41,977
Special Revenue	\$494,236	\$708,318	\$214,082
Debt Service	\$17,057	\$17,058	\$1
Capital Projects	\$4,121,029	\$4,215,857	\$94,828
Enterprise	<u>\$810,622</u>	<u>\$1,562,867</u>	<u>\$752,245</u>
Total	<u>\$7,682,796</u>	<u>\$8,785,929</u>	<u>\$1,103,133</u>

<u>2020 Budgeted vs. Actual Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$923,567	\$1,992,509	(\$1,068,942)
Special Revenue	\$1,165	\$684,076	(\$682,911)
Debt Service	\$0	\$19,958	(\$19,958)
Capital Projects	\$0	\$3,714,866	(\$3,714,866)
Enterprise	<u>\$245</u>	<u>\$1,471,511</u>	<u>(\$1,471,266)</u>
Total	<u>\$924,977</u>	<u>\$7,882,920</u>	<u>(\$6,957,943)</u>

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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:

	<u>2020</u>
Demand deposits	\$9,456
Other time deposits	<u>\$5</u>
Total deposits	<u>\$9,461</u>
Repurchase agreements	<u>\$2,638,984</u>
Total Investments	<u>\$2,638,984</u>
Bond Proceeds Escrow	<u>\$282,457</u>
Total Bond Escrow	<u>\$282,457</u>
Total deposits and investments	<u>\$2,930,902</u>

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

Investments: The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name.

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 is due the following June 20.

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

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

LOCAL INCOME TAX

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

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

certain residents earned outside of the Village. Effective July 1, 2019 the Village of Batavia turned over collection and administration of its municipal income tax to the Regional Income Tax Agency.

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

Note 7 – Risk Management

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

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

Risk of Pool Membership

The (local entity) is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity’s) policy. The Pool covers the following risks:

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

PEP’s financial statements (audited by other accountants) conforms with generally accepted accounting principles and reported the following assets, liabilities and net position at December 31:

2020

Cash and investments \$ 40,318,971

Actuarial liabilities \$14,111,510

During 2020, the Village did not have to pay for any losses that exceeded insurance coverage.

Self-Insurance

The Village provides health insurance to full-time employees through Anthem Ohio Blue Cross-Blue Shield. In order to reduce the health insurance premium expense, the health insurance has a high annual deductible of \$12,000 per employee. The Village covers the employees for that deductible through a self-insurance program managed by ClaimLinx. The Village annually budgets \$12,000 of insurance expense per employee, although no employee has ever incurred health insurance expenses of \$12,000.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All of the Village's employees, except certified full-time Police Officers, 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 through December 31, 2020.

Ohio Police and Fire Retirement System

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

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

Note 9 – Post-Employment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. OPERS contributes 4 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

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

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 10 - Debt

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
1) OPWC CU17G Water Line Improvement	\$17,500	0%
2) C-G-E Sewer Improvement Special Assessment	\$80,000	2.00% - 5.25%
3) Streetscape Improvements G.O. Bonds	\$0	.08%-4.125%
4) OPWC CJ24Q Streetscape Improvement Loan	\$946,446	0%
5) OPWC CJ26R Wastewater Major Remedial Loan	\$191,060	0%
6) OPWC CJ26S Broadway & Spring Water Main Loan	\$164,467	0%
7) OPWC CJ06U 2017 Cast Iron Water Main Replace	\$214,350	0%
8) OPWC CJ08U Bauer Rd. Resurface	\$48,143	0%
9) Streamside Capital Imp. Sp. Assessment Rev. Bd.	\$3,000,000	3.00-3.75%
10) OPWC CJ19V E Main/Riverside Storm Drain	\$68,876	0%
11) 2-year Vehicle Loan – Police Cruiser	\$7,728	3.25%
12) 1-Year Revenue Anticipation Note Armory Renovation	\$0	3.25%
13) Debt Refunding Capital Improvement	\$4,250,000	2.00%-3.50%
14) 2-Year Vehicle Loan – 2019 Dodge Ram Pickup	\$28,241	5.50%
15) 1-Year Vehicle Loan – Police Cruiser	\$12,643	3.75%
16) 5-Year Vehicle Loan – 2019	\$94,827	5.25%
	<u>\$9,124,281</u>	

1) The Ohio Public Works Commission (OPWC) loan (#CU17G) relates to a waterline addition. The OPWC approved a \$100,000 loan at zero interest to the Village for this project. The loan will be repaid in semiannual installments of \$2,500 over 20 years and will be paid off in 2024. The loan is collateralized by water and sewer receipts.

2) The Sewer Improvement Special Assessment Bonds were issued on August 31, 2004. The bonds were to be used for the purpose of paying part of the cost of sanitary sewers on Clark, Glen and Ely Streets within the Village. The bonds will mature in 2024.

3) The Streetscape Improvement General Obligation Bonds were issued on June 12, 2013. The bonds were issued for the East Main Street development project including Second and Fourth Streets. The bonds will mature in 2033. The bond proceeds reflected on the financial statements include \$1,325 in refunded bond issuance fees. The bonds were called and paid off in August 2020.

4) The Ohio Public Works Commission (OPWC) loan (#CJ24Q) relates to streetscape improvements. The OPWC approved a \$1,352,066 loan at zero interest to the Village for this project in 2013. The loan will be repaid in semiannual installments of \$33,801.65 over 20 years and will be paid off in 2024.

5) The Ohio Public Works Commission (OPWC) Wastewater Major Remedial loan (#CJ26R) relates to a sewer remedial project. The OPWC approved a \$260,500 loan at zero interest to the Village for this project in 2015, but the Village only borrowed \$224,776.00 to complete the project. The loan will be repaid in semiannual installments of \$3,746.27 over 30 years and will be paid off in 2046.

6) The Ohio Public Works Commission (OPWC) Broadway & Spring Water Main loan (#CJ26S) relates to a waterline replacement project. The OPWC approved a \$260,975 loan at zero interest to the Village for this project in 2015, but the Village only borrowed \$205,584.60 to complete the project.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The loan will be repaid in semiannual installments of \$5,139.62 over 20 years and will be paid off in 2036.

7) The Ohio Public Works Commission (OPWC) Cast Iron Water Main Replacement loan (#CJ06U) relates to a water main replacement project in 2017. The OPWC approved a \$240,671 loan at zero interest to the Village for this project in 2017, but the Village only borrowed \$238,166.67 to complete the project. The loan will be repaid in semiannual installments of \$5,954.17 over 20 years and will be paid off in 2038.

8) The Ohio Public Works Commission (OPWC) Bauer Road Resurface loan (#CJ08U) relates to a project to resurface Bauer Road and reconfigure the intersection at Bauer Road and Hospital Drive. The OPWC approved a \$55,021 loan at zero interest to the Village for this project in 2017. The loan will be repaid in semiannual installments of \$1,376 over 20 years and will be paid off in 2038.

9) The Streamside Residential Development Capital Improvement Special Assessment Revenue Bonds were issued on October 3, 2019. The \$3 million bonds were to be used for the purpose of paying the cost of constructing and installing public improvements within a Community Reinvestment Area in the Village. The bonds will be repaid by an assessment under a Payment In Lieu of Real Estate Taxes Agreement and will mature in 2045.

10) The Ohio Public Works Commission (OPWC) E. Main/Riverside Storm Drain loan (#CJ19V) relates to a project repair the storm drain outflow to East Fork of Little Miami River. The OPWC approved a \$72,500 loan at zero interest to the Village for this project in 2019. The loan will be repaid in semiannual installments of \$1,813 over 20 years and will be paid off in 2040.

11) In 2020, the Village took out a 2-year \$15,170 vehicle loan for a 2017 Ford police cruiser from Sharefax Credit Union. The loan matures in September 2021.

12) The Village issued a 1-year municipal note to help pay for the renovation of the Armory Building, which became the new village office on November 1, 2017. The note matured on August 9, 2020 and was paid off in full.

13) The Village issued a \$4,250,000 revenue bond on August 5, 2020. The proceeds were used to refund the \$2,250,000 balance on the 2013 E Main Street bond (loan #3 above) at a lower interest rate and to pay off the 1-year \$300,000 Armory Renovation Note (loan #12 above). The \$1,700,000 balance on the bond was designated for capital improvements. The bond will be paid off in semiannual installments over 20 years that start at \$82,500 and increase to \$140,000 so that annual interest and principal payments always total between \$288,000 and \$292,000. The bond will be paid off in 2040. The bond will be repaid from income tax revenue.

14) In 2020, the Village took out a 2-year \$43,364 vehicle loan from Sharefax Credit Union for a 2019 Dodge pickup truck for the street department. The loan matures in April 2022.

15) In 2020, the Village took out a 1-year \$25,800 vehicle loan from Sharefax Credit Union for a 2015 Ford Police Cruiser. The loan matures in December 2021.

16) In 2020, the Village took out a 5-year \$94,827 vehicle loan from Sharefax Credit Union for a 2019 Dump Truck. The loan matures in April 2025.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

	Debt #1	Debt #2	Debt #4	Debt #5	Debt #6	Debt #7
	CU17G	Bank NY	CJ24Q	CJ26R	CJ26S	CJ06GU
	OPWC	C-G-E	OPWC	OPWC	OPWC	OPWC
	Water	Sewer	Street	Street	Water	Water
2021	\$ 5,000	\$ 24,100	\$ 67,603	\$ 7,493	\$ 10,279	\$ 11,908
2022	5,000	23,100	67,603	7,493	10,279	11,908
2023	5,000	21,080	67,603	7,493	10,279	11,908
2024	2,500	21,050	67,603	7,493	10,279	11,908
2025	-	-	67,603	7,493	10,279	11,908
2026-2030	-	-	338,017	37,463	51,396	59,542
2031-2035	-	-	270,414	37,463	51,396	59,542
2036-2040	-	-	-	37,463	10,280	35,726
2041-2045	-	-	-	37,463	-	-
2046	-	-	-	3,743	-	-
	\$ 17,500	\$ 89,330	\$ 946,446	\$ 191,060	\$ 164,467	\$ 214,350
	Debt #8	Debt #9	Debt #10	Debt #11	Debt #13	Debt #14
	CJ08U	Huntington	CJ19V	Sharefax	Huntington	Sharefax
	Bauer Rd	StreamSd	OPWC	Cruiser	Debt Refunded	Pickup
	Street	Rev Bonds	Sewer	Police	Rev. Bond	Street
2021	\$ 2,751	\$ 103,835	\$ 3,625	\$ 7,980	\$ 289,019	\$ 15,305
2022	2,751	188,835	3,625	-	287,113	15,305
2023	2,751	186,285	3,625	-	288,813	-
2024	2,751	188,735	3,625	-	290,413	-
2025	2,751	186,035	3,625	-	291,038	-
2026-2030	13,755	946,515	18,125	-	1,457,288	-
2031-2035	13,755	942,800	18,125	-	1,447,850	-
2036-2040	6,878	937,013	14,501	-	1,444,560	-
2041-2045	-	942,312	-	-	-	-
2046	-	-	-	-	-	-
	\$ 48,143	\$ 4,622,365	\$ 68,876	\$ 7,980	\$ 5,796,094	\$ 30,610

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Debt #15	Debt #16		
	Sharefax	Sharefax		
	Cruiser	Dodge 5500		
	Police	Street	TOTAL	
2021	\$ 12,965	\$ 22,146	\$ 584,009	
2022	-	22,146	645,158	
2023	-	22,146	626,983	
2024	-	22,146	628,503	
2025	-	22,144	617,376	
2026-2030	-	-	2,922,101	
2031-2035	-	-	2,837,721	
2036-2040	-	-	2,471,920	
2041-2045	-	-	979,775	
2046	-	-	3,743	
	<u>\$ 12,965</u>	<u>\$ 110,728</u>	<u>\$ 12,317,289</u>	

Note 11 – Construction and Contractual Commitments

The Village has hired an engineer to design an improvement to the intersection of E. Main Street and N Riverside Dr. It is projected that the project will cost about \$1.2 million. The project will be funded with grants, loans and capital improvement bond funds.

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 upon prior experience, management believes any refunds would be immaterial.

Note 13 – Jointly Governed Organizations

The Batavia Union Cemetery is located partially in the Village of Batavia and partially in Batavia Township. The Batavia Union Cemetery Board is comprised of a member of Batavia Village Council, a member of the Batavia Township Trustees, and an at-large member. The cemetery is jointly funded by the Village and the Township.

Note 14 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan for workers' compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year term. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**VILLAGE OF BATAVIA
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2020, the Village received \$159,603 in COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 16 – Component Unit

On March 14, 2016, the Village passed an ordinance to create the Clermont County Community Improvement Corporation, the CIC. The purpose of the CIC is to encourage and promote industrial, economic, commercial, and civic development of the Village of Batavia. The CIC's seven-member board consists of the entire Village Council and the Mayor. The CIC is considered a component unit of the Village. The CIC is audited separately, and the financial information of the CIC is not included in the accompanying financial statements due to the Village following the accounting provisions Ohio Revised Code Section 117.38 and OAC 117-2-03(C) permit.

Note 17 – Fund Balance

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years. 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	Debt Service	Capital Projects	Total
Nonspendable:					
Unclaimed Monies	\$391	\$0	\$0	\$0	\$391
Outstanding Encumbrances	8,582	2,558	0	15	11,155
<i>Total</i>	<u>\$8,973</u>	<u>\$2,558</u>	<u>\$0</u>	<u>\$15</u>	<u>\$11,546</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. These restricted, committed and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 18 – Change in Accounting Principle

For 2020, the Village has made changes to their cash basis reporting model. These changes include removing the fund balance classification from the Combined Statement of Receipts, Disbursements, and changes in Fund Balances. The effect of this change had no effect on the Village’s beginning cash balances

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*

Independent Auditor's Report

Village Council
Village of Batavia
Clermont County
65 North Second Street
Batavia, Ohio 45103

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Village of Batavia, Clermont County (the Village) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements and have issued our report thereon dated November 28, 2022, 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 may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Village of Batavia
Clermont County

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*

Page 2

Report on Compliance and Other Matters

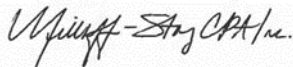
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2021-003 and 2021-004.

Village's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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



Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

November 28, 2022

**Village of Batavia
Clermont County**
*Schedule of Findings and Responses
For the Years Ended December 31, 2021 and 2020*

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2021-001

Material Weakness – Financial Reporting

A monitoring system by the Village should be in place to prevent or detect misstatements for the accurate presentation of the Village's financial statements. During the course of testing, we identified misstatements in beginning balances for 2020 related to improperly posted adjustments, beginning balance misstatements were also identified in 2021. We identified misclassifications and misstatements of property tax, intergovernmental, and miscellaneous revenues, capital outlay, transportation, and basic utility services expenses. We also noted instances where debt proceeds and debt payments were not properly recorded. We also noted numerous corrections and omissions to both 2021 and 2020 footnotes. These misstatements, misclassifications and disclosure errors and omissions were corrected in the accompanying financial statements and notes.

We recommend the Village implement additional control procedures related to financial reporting that enable management to identify, prevent, detect, and correct potential errors and misclassifications in the financial statements and to ensure proper presentation of note disclosures.

Village Response:

Village officials chose not to include a response.

Finding Number 2021-002

Material Weakness – Budgetary Information Within Accounting System

Accurate budgetary information within the Village's accounting system is pertinent to ensure that the Village has accurate and complete information for decision-making processes. Instances were identified in both years of the audit period where beginning balances per the amended certificate of estimated resources didn't agree to beginning balances. We noted multiple material variances between the final filed amended certificate of estimated resources and the and the accounting system in 2020 and 2021. In addition, we noted variance in the General, Drug Law Enforcement, and Street Capital Projects funds in 2021 between final appropriations and the accounting system. Lastly, the appropriations for 2020 were included in the budgetary system but never filed with the County. We recommend the Village adopt additional procedures to ensure accuracy between approved budgetary documents and their accounting system.

Village Response:

Village officials chose not to include a response.

Finding Number 2021-003

Noncompliance Citation – Ohio Revised Code Section 5705.39

Ohio Revised Code Section 5705.39 states that total appropriations from each fund shall not exceed the total estimated resources. At December 31, 2021, the Village had appropriations in excess of estimated resources in the Drug Law Enforcement and Street Capital Projects funds.

The Village should implement the appropriate procedures, such as periodic comparisons of estimated resources to appropriations and of budgetary amounts in accounting system to formally approved budgets, to ensure that appropriations are limited to estimated resources and improper spending does not occur.

**Village of Batavia
Clermont County**
*Schedule of Findings and Responses
For the Years Ended December 31, 2021 and 2020*

Village Response:

Village officials chose not to include a response.

Finding Number 2021-004

Noncompliance Citation – Ohio Revised Code Sections 5705.38(A) and 5705.41(B)

Ohio Revised Code Section 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

In 2020 the Village Council approved appropriations, but did not file appropriations with the County Auditor, effectively making all funds having expenditures in excess of appropriations. Additionally, in 2021 the Sewer Operating and CGE Sewer Assessment funds had expenditures in excess of appropriations.

The Village should ensure all appropriation measures are filed with the County. The Village should also perform periodic reconciling procedures to ensure that budgeted information within the accounting system is in agreement with formally approved budgets that have been filed with the County Auditor to ensure that budgeted information within the accounting system can be reasonably relied upon. Lastly, the Village should limit expenditures by the approved and filed appropriation amounts.

Village Response:

Village officials chose not to include a response.

**Village of Batavia
Clermont County**

*Schedule of Prior Audit Findings
For the Years Ended December 31, 2021 and 2020*

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
Finding 2019-001	Material Weakness – Financial Reporting	No	Reissued as Finding 2021-001
Finding 2019-002	Material Weakness – Budgetary Information Within Accounting System	No	Reissued as Finding 2021-002
Finding 2019-003	Noncompliance Citation/Material Weakness – Proper Public Purpose	No	Reissued in Management Letter
Finding 2019-004	Noncompliance Citation – Expenditures in Excess of Appropriations	No	Reissued as Finding 2021-004
Finding 2019-005	Noncompliance Citation – Appropriations in Excess of Estimated Resources	No	Reissued as Finding 2021-003

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BATAVIA

CLERMONT 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 1/10/2023

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