

**VILLAGE OF BUCKEYE LAKE**

**AUDIT REPORT**

**JANUARY 1, 2018 - DECEMBER 31, 2019**

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd. Building G  
Zanesville, Ohio 43701**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Buckeye Lake  
5192 Walnut Road SE  
P. O. Box 27  
Buckeye Lake, Ohio 43008

We have reviewed the *Independent Auditors' Report* of the Village of Buckeye Lake, Licking County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Buckeye Lake 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

December 11, 2020



**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY  
JANUARY 1, 2018 - DECEMBER 31, 2019**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Village of Buckeye Lake  
Licking County  
5192 Walnut Road SE  
PO Box 27  
Buckeye Lake, Ohio 43008

To the Village Council:

**Report on the Financial Statements**

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

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial provisions of 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 opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 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, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory basis of accounting and GAAP are not reasonably determinable, are presumed to be 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 permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

#### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Buckeye Lake as of December 31, 2019 and 2018, or changes in financial position or cash flows thereof for the years then ended.

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

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

#### **Emphasis of Matter**

As discussed in Note 10 to the 2019 financial statements, during 2020, the impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. 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 a report dated July 6, 2020, on our consideration of the Village of Buckeye Lake'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.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
July 6, 2020



VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts</b>				
Property Tax and Other Local Taxes	\$ 411,348	\$ 358,970	\$ -	\$ 770,318
Intergovernmental	49,383	206,165	-	255,548
Special Assessments	527	17,038	710	18,275
Charges for Services	14,400	76,300	-	90,700
Fines, Licenses, and Permits	80,303	1,435	-	81,738
Earnings on Investments	39,365	1,283	-	40,648
Miscellaneous	12,488	35,018	-	47,506
<b>Total Cash Receipts</b>	<b>607,814</b>	<b>696,209</b>	<b>710</b>	<b>1,304,733</b>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	-	569,297	-	569,297
Public Health Services	532	-	-	532
Leisure Time Activities	780	-	-	780
Community Environment	15,027	-	-	15,027
Transportation	-	164,320	-	164,320
General Government	245,351	6,763	-	252,114
Capital Outlay	-	79,162	27,228	106,390
Debt Service:				
Principal Retirement	-	7,904	-	7,904
Interest and Fiscal Charges	-	1,865	-	1,865
<b>Total Cash Disbursements</b>	<b>261,690</b>	<b>829,311</b>	<b>27,228</b>	<b>1,118,229</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>346,124</b>	<b>(133,102)</b>	<b>(26,518)</b>	<b>186,504</b>
<b>Other Financing Receipts/(Disbursements)</b>				
Loans Issued	-	79,162	-	79,162
Transfers - In	-	305,000	149,000	454,000
Transfers - Out	(305,000)	(142,000)	-	(447,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(305,000)</b>	<b>242,162</b>	<b>149,000</b>	<b>86,162</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>41,124</b>	<b>109,060</b>	<b>122,482</b>	<b>272,666</b>
<b>Fund Cash Balances, January 1, 2019</b>	<b>451,701</b>	<b>636,537</b>	<b>11,794</b>	<b>1,100,032</b>
<b>Fund Cash Balances, December 31, 2019</b>				
Restricted	-	745,597	134,276	879,873
Assigned	3,552	-	-	3,552
Unassigned (Deficit)	489,273	-	-	489,273
<b>Fund Cash Balances, December 31, 2019</b>	<b>\$ 492,825</b>	<b>\$ 745,597</b>	<b>\$ 134,276</b>	<b>\$ 1,372,698</b>

See notes to financial statements.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Proprietary</u>	<u>Fiduciary</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 757,038	\$ -	\$ 757,038
Fines, Licenses and Permits	-	7,639	7,639
Miscellaneous	105,845	-	105,845
<b>Total Operating Cash Receipts</b>	<u>862,883</u>	<u>7,639</u>	<u>870,522</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	113,537	-	113,537
Fringe Benefits	31,628	-	31,628
Contractual Services	362,029	5,770	367,799
Supplies and Materials	46,292	-	46,292
<b>Total Operating Cash Disbursements</b>	<u>553,486</u>	<u>5,770</u>	<u>559,256</u>
Operating Income/(Loss)	<u>309,397</u>	<u>1,869</u>	<u>311,266</u>
<b>Non-Operating Cash Receipts:</b>			
Miscellaneous	30,496	-	30,496
Other Financing Sources	-	401	401
<b>Total Non-Operating Cash Receipts</b>	<u>30,496</u>	<u>401</u>	<u>30,897</u>
<b>Non-Operating Cash Disbursements:</b>			
Capital Outlay	142,118	-	142,118
Debt Service-Principal	54,872	-	54,872
Debt Service-Interest	886	-	886
Other Financing Uses	-	15,034	15,034
<b>Total Non-Operating Cash Disbursements</b>	<u>197,876</u>	<u>15,034</u>	<u>212,910</u>
<b>Income (Loss) before Capital Contributions, Special Items, Extraordinary Item, Transfers and Advances</b>	142,017	(12,764)	129,253
<b>Transfers Out</b>	(7,000)	-	(7,000)
<b>Net Change in Fund Cash Balance</b>	<u>135,017</u>	<u>(12,764)</u>	<u>122,253</u>
<b>Fund Cash Balances, January 1, 2019</b>	<u>859,055</u>	<u>18,908</u>	<u>877,963</u>
<b>Fund Cash Balances, December 31, 2019</b>	<u>\$ 994,072</u>	<u>\$ 6,144</u>	<u>\$ 1,000,216</u>

See notes to financial statements.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Buckeye Lake, Licking County, (the Village) as a body corporate and politic. A publicly-elected seven-member Council directs the Village. The Village provides general government, including park operations, street repair and maintenance, police protection and fire protection services. The Village contracts with Licking County to provide sewer services. On July 1, 2004 the Village passed a charter form of government. A copy of this charter can be obtained from the Village Fiscal Officer.

The Village participates in public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**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 balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary 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:

**Governmental Funds**

**General Fund**

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds.

**Police Levy Fund** - This fund receives property tax monies to pay for providing security of persons and property.

**Fire Levy Fund** – This fund receives property tax monies to pay for providing fire protection and emergency medical services.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Projects Funds:

**Capital Water Pre-Assessment Fund** - This fund receives special assessments receipts to pay for the Village's water system project.

**Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered 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.

**Fiduciary Funds**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following significant Fiduciary Fund:

**Mayors Court Fund** - This fund receives fines and fees levied for traffic violations as prescribed by Village Ordinance. The funds are distributed to various agencies as prescribed by the Ohio Revised Code.

***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 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 117-2-03(D) permit.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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. The County Budget Commission must also approve the annual appropriation measure. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Property, Plant, and Equipment***

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

***Accumulated Leave***

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

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Balance***

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

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

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

**Committed** – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless 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 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 ordinance, or by State Statute.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2019 is as follows:

<b>2019 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 577,200	\$ 607,814	\$ 30,614
Special Revenue	937,350	1,080,371	143,021
Capital Projects	-	149,710	149,710
Enterprise	802,500	893,379	90,879
Total	\$ 2,317,050	\$ 2,731,274	\$ 414,224

<b>2019 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 611,805	\$ 570,242	\$ 41,563
Special Revenue	1,090,537	988,486	102,051
Capital Projects	62,000	27,228	34,772
Enterprise	927,491	764,521	162,970
Total	\$ 2,691,833	\$ 2,350,477	\$ 341,356

**4. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2019
Demand Deposits	\$ 2,034,478
Certificates of Deposit	338,436
Total Deposits	\$ 2,372,914

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institutions public entity deposit pool.

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by 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.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**6. RISK MANAGEMENT**

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

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

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.

	2019
Assets	\$15,920,504
Liabilities	(11,329,011)
Members' Equity	\$ 4,591,493

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

**7. DEFINED BENEFIT PENSION PLAN**

*Ohio Public Employees Retirement System*

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

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10.00% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2019.



**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**7. DEFINED BENEFIT PENSION PLAN (Continued)**

*Ohio Police and Fire Retirement*

The Village's certified fire fighters and 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 to OP&F an amount equal to 24.00% of full-time fire-fighters wages and 19.50% of full-time police officers wages. The Village has paid all contributions required through December 31, 2019.

*Social Security*

Several Village employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**8. POSTEMPLOYMENT BENEFITS**

Both OPERS and OP&F 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, 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 BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**9. DEBT**

Debt outstanding at December 31, 2019 was as follows:

	2019 Principal	%
Ohio Water Development Authority Loan #5142	\$ 378,587	0.00
Ohio Water Development Authority Loan #4928	80,887	0.00
Ohio Water Development Authority Loan #5149	85,911	1.00
Ohio Public Works Commission Loan CQ04J	9,301	0.00
Ohio Public Works Commission Loan CQ36N	1,828	0.00
Ohio Public Works Commission Loan CT98M	112,111	0.00
Ohio Public Works Commission Loan CQ28O	89,707	0.00
North Valley Bank Loan #496100	34,124	4.50
North Valley Bank Loan #507197	37,286	4.50
Total	\$ 829,742	

The Ohio Water Development Authority (OWDA) loan #5142 was awarded for the Drinking Water Assistance Fund of the water project the Ohio Environmental Protection Agency mandated. The loan has an interest rate of 0% and will be repaid in semi-annual installments of \$16,460 for 20 years beginning July 2011. The Village has financed \$658,412 for this project.

The Ohio Water Development Authority (OWDA) loan #4928 was awarded for the capacity fee to Millersport of the water project the Ohio Environmental Protection Agency mandated. The Village has been approved for an amount up to \$306,000 for this project. During 2014, principal forgiven was \$153,000 which significantly reduced the amount owed.

The Ohio Water Development Authority (OWDA) loan #5149 was awarded for Community Assistance of the water project the Ohio Environmental Protection Agency mandated. The loan has an interest rate of 1% and payments will be for 30 years and begin in 2011.

The Ohio Public Works Commission (OPWC) #CQ04J was awarded for the storm-water system on July 1, 2006 in the amount of \$26,574. The loan will be repaid in annual installments of \$1,330 over 18 years.

The Ohio Public Works Commission (OPWC) loan #CQ36N was awarded for road resurfacing in 2010 in the amount of \$4,571 due to the storm-water system project. The loan is interest free and will be repaid in semi-annual installments of \$305 over 15 years.

The Ohio Public Works Commission (OPWC) loan #CT98M was awarded for water distribution in 2012 in the amount of \$156,434. The loan is interest free and will be repaid in semi-annual installments of \$2,607 over 30 years.

The Ohio Public Works Commission (OPWC) loan #CQ28O was awarded for storm sewer replacement in 2011 in the amount of \$119,610 due to the storm water system project. The loan is interest free and will be repaid in semi-annual installments of \$3,987 over 30 years.

The North Valley Bank loan #496100 was provided for the purchase of a Ford Explorer police cruiser in 2019 in the amount of \$39,493. The loan has an interest rate of 4.5% and will be repaid in monthly installments of \$738 over 6 years.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**9. DEBT (Continued)**

The North Valley Bank loan #507197 was provided for the purchase of a Chevy Silverado police vehicle in 2019 in the amount of \$39,669. The loan has an interest rate of 4.5% and will be repaid in monthly installments of \$741 over 6 years.

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

Year Ending December 31	OWDA #5142	OWDA #4928	OWDA #5149	North Valley #496100	North Valley #50797
2020	\$ 32,921	\$ 7,704	\$ 4,451	\$ 8,851	\$ 8,891
2021	32,921	7,704	4,451	8,851	8,891
2022	32,921	7,704	4,451	8,851	8,891
2023	32,921	7,704	4,451	8,851	8,891
2024	32,920	7,704	4,451	2,203	5,908
2025-2029	164,600	38,520	22,255	-	-
2030-2034	49,383	3,847	22,255	-	-
2035-2039	-	-	22,255	-	-
2040-2044	-	-	6,676	-	-
	<u>\$ 378,587</u>	<u>\$ 80,887</u>	<u>\$ 95,696</u>	<u>\$ 37,607</u>	<u>\$ 41,472</u>

Year Ending December 31	OPWC #CQ04J	OPWC #CQ28O	OPWC #CQ36N	OPWC #CT98M
2020	\$ 1,329	\$ 3,987	\$ 305	\$ 5,214
2021	1,329	3,987	305	5,214
2022	1,329	3,987	305	5,214
2023	1,329	3,987	305	5,214
2024	1,329	3,987	304	5,214
2025-2029	2,656	19,935	304	26,071
2030-2034	-	19,935	-	26,075
2035-2039	-	19,935	-	26,075
2040-2044	-	9,967	-	7,820
	<u>\$ 9,031</u>	<u>\$ 89,707</u>	<u>\$ 1,828</u>	<u>\$ 112,111</u>

**10. SUBSEQUENT EVENTS**

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

VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY

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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts</b>				
Property Tax and Other Local Taxes	\$ 411,536	\$ 358,750	\$ -	\$ 770,286
Intergovernmental	40,494	189,603	-	230,097
Special Assessments	287	27,227	6,285	33,799
Charges for Services	9,487	79,778	-	89,265
Fines, Licenses, and Permits	51,108	451	-	51,559
Earnings on Investments	24,103	-	-	24,103
Miscellaneous	50,414	15,760	-	66,174
<b>Total Cash Receipts</b>	<b>587,429</b>	<b>671,569</b>	<b>6,285</b>	<b>1,265,283</b>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	-	535,186	-	535,186
Public Health Services	736	-	-	736
Leisure Time Activities	2,054	-	-	2,054
Community Environment	20,017	-	-	20,017
Basic Utility Services	600	-	-	600
Transportation	1,948	140,169	-	142,117
General Government	204,611	17,168	-	221,779
Capital Outlay	3,000	12	-	3,012
Debt Service:				
Principal Retirement	-	8,447	-	8,447
<b>Total Cash Disbursements</b>	<b>232,966</b>	<b>700,982</b>	<b>-</b>	<b>933,948</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>354,463</b>	<b>(29,413)</b>	<b>6,285</b>	<b>331,335</b>
<b>Other Financing Receipts/(Disbursements)</b>				
Transfers - In	-	111,285	-	111,285
Transfers - Out	(111,285)	-	-	(111,285)
Advances - In	60,500	20,000	-	80,500
Advances - Out	(28,000)	(20,000)	-	(48,000)
Other Financing Uses	-	(1,500)	-	(1,500)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(78,785)</b>	<b>109,785</b>	<b>-</b>	<b>31,000</b>
<b>Extraordinary Item</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>
<b>Net Change in Fund Cash Balances</b>	<b>275,678</b>	<b>80,379</b>	<b>6,285</b>	<b>362,342</b>
<b>Fund Cash Balances, January 1, 2018, Restated</b>	<b>176,023</b>	<b>556,158</b>	<b>5,509</b>	<b>737,690</b>
<b>Fund Cash Balances, December 31, 2018</b>				
Restricted	-	636,537	11,794	648,331
Assigned	2,815	-	-	2,815
Unassigned (Deficit)	448,886	-	-	448,886
<b>Fund Cash Balances, December 31, 2018</b>	<b>\$ 451,701</b>	<b>\$ 636,537</b>	<b>\$ 11,794</b>	<b>\$ 1,100,032</b>

See notes to financial statements.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Proprietary</u>	<u>Fiduciary</u>	<b>Totals (Memorandum Only)</b>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 678,234	\$ -	\$ 678,234
Fines, Licenses and Permits	-	18,908	18,908
Miscellaneous	53,717	-	53,717
<b>Total Operating Cash Receipts</b>	<u>731,951</u>	<u>18,908</u>	<u>750,859</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	140,329	-	140,329
Fringe Benefits	66,814	-	66,814
Contractual Services	314,559	-	314,559
Supplies and Materials	18,861	-	18,861
<b>Total Operating Cash Disbursements</b>	<u>540,563</u>	<u>-</u>	<u>540,563</u>
Operating Income/(Loss)	<u>191,388</u>	<u>18,908</u>	<u>210,296</u>
<b>Non-Operating Cash Receipts:</b>			
Special Assessments	128	-	128
Miscellaneous	12,856	-	12,856
Other Financing Sources	-	4,051	4,051
<b>Total Non-Operating Cash Receipts</b>	<u>12,984</u>	<u>4,051</u>	<u>17,035</u>
<b>Non-Operating Cash Disbursements:</b>			
Capital Outlay	7,759	-	7,759
Debt Service-Principal	51,959	-	51,959
Debt Service-Interest	939	-	939
Other Financing Uses	-	7,495	7,495
<b>Total Non-Operating Cash Disbursements</b>	<u>60,657</u>	<u>7,495</u>	<u>68,152</u>
<b>Income (Loss) before Capital Contributions, Special Items, Extraordinary Item, Transfers and Advances</b>	<u>143,715</u>	<u>15,464</u>	<u>159,179</u>
<b>Advances In</b>	8,000	-	8,000
<b>Advances Out</b>	<u>(40,500)</u>	<u>-</u>	<u>(40,500)</u>
<b>Net Change in Fund Cash Balance</b>	<u>111,215</u>	<u>15,464</u>	<u>126,679</u>
<b>Fund Cash Balances, January 1, 2018</b>	<u>747,840</u>	<u>3,444</u>	<u>751,284</u>
<b>Fund Cash Balances, December 31, 2018</b>	<u>\$ 859,055</u>	<u>\$ 18,908</u>	<u>\$ 877,963</u>

See notes to financial statements.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Buckeye Lake, Licking County, (the Village) as a body corporate and politic. A publicly-elected seven-member Council directs the Village. The Village provides general government, including park operations, street repair and maintenance, police protection and fire protection services. The Village contracts with Licking County to provide sewer services. On July 1, 2004 the Village passed a charter form of government. A copy of this charter can be obtained from the Village Fiscal Officer.

The Village participates in public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**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 balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary 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:

**Governmental Funds**

**General Fund**

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds.

**Police Levy Fund** - This fund receives property tax monies to pay for providing security of persons and property.

**Fire Levy Fund** – This fund receives property tax monies to pay for providing fire protection and emergency medical services.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Projects Funds:

**Capital Water Pre-Assessment Fund** - This fund receives special assessments receipts to pay for the Village's water system project.

**Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered 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.

**Fiduciary Funds**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following significant Fiduciary Fund:

**Mayors Court Fund** - This fund receives fines and fees levied for traffic violations as prescribed by Village Ordinance. The funds are distributed to various agencies as prescribed by the Ohio Revised Code.

***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 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 117-2-03(D) permit.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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. The County Budget Commission must also approve the annual appropriation measure. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Property, Plant, and Equipment***

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

***Accumulated Leave***

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



**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Balance***

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

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

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

**Committed** – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless 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 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 ordinance, or by State Statute.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2018 is as follows:

<b>2018 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 503,550	\$ 587,429	\$ 83,879
Special Revenue	755,695	782,861	27,166
Capital Projects	-	6,285	6,285
Enterprise	827,784	744,935	(82,849)
Total	\$ 2,087,029	\$ 2,121,510	\$ 34,481

<b>2018 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 392,152	\$ 347,066	\$ 45,086
Special Revenue	914,742	717,740	197,002
Capital Projects	-	-	-
Enterprise	758,793	669,060	89,733
Total	\$ 2,065,687	\$ 1,733,866	\$ 331,821

**4. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2018
Demand Deposits	\$ 1,818,831
Certificates of Deposit	159,164
Total Deposits	\$ 1,977,995

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institutions public entity deposit pool.

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by 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.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**6. RISK MANAGEMENT**

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

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

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

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

	<u>2018</u>
Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

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

**7. DEFINED BENEFIT PENSION PLAN**

*Ohio Public Employees Retirement System*

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10.00% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2018.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**7. DEFINED BENEFIT PENSION PLAN (Continued)**

*Ohio Police and Fire Retirement*

The Village's certified fire fighters and 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 to OP&F an amount equal to 24.00% of full-time fire-fighters wages and 19.50% of full-time police officers wages. The Village has paid all contributions required through December 31, 2018.

*Social Security*

Several Village employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**8. POSTEMPLOYMENT BENEFITS**

Both OPERS and OP&F 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. OPERS contributes 1 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**9. DEBT**

Debt outstanding at December 31, 2018 was as follows:

	2018	
	Principal	%
Ohio Water Development Authority Loan #5142	\$ 411,507	0.00
Ohio Water Development Authority Loan #4928	88,590	0.00
Ohio Water Development Authority Loan #5149	89,476	1.00
Ohio Public Works Commission Loan CQ04J	10,630	0.00
Ohio Public Works Commission Loan CQ36N	2,133	0.00
Ohio Public Works Commission Loan CT98M	117,326	0.00
Ohio Public Works Commission Loan CQ28O	93,694	0.00
Total	\$ 813,356	

The Ohio Water Development Authority (OWDA) loan #5142 was awarded for the Drinking Water Assistance Fund of the water project the Ohio Environmental Protection Agency mandated. The loan has an interest rate of 0% and will be repaid in semi-annual installments of \$16,460 for 20 years beginning July 2011. The Village has financed \$658,412 for this project.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**9. DEBT (Continued)**

The Ohio Water Development Authority (OWDA) loan #4928 was awarded for the capacity fee to Millersport of the water project the Ohio Environmental Protection Agency mandated. The Village has been approved for an amount up to \$306,000 for this project. During 2014, principal forgiven was \$153,000 which significantly reduced the amount owed.

The Ohio Water Development Authority (OWDA) loan #5149 was awarded for Community Assistance of the water project the Ohio Environmental Protection Agency mandated. The loan has an interest rate of 1% and payments will be for 30 years and begin in 2011.

The Ohio Public Works Commission (OPWC) #CQ04J was awarded for the storm-water system on July 1, 2006 in the amount of \$26,574. The loan will be repaid in annual installments of \$1,330 over 18 years.

The Ohio Public Works Commission (OPWC) loan #CQ36N was awarded for road resurfacing in 2010 in the amount of \$4,571 due to the storm-water system project. The loan is interest free and will be repaid in semi-annual installments of \$305 over 15 years.

The Ohio Public Works Commission (OPWC) loan #CT98M was awarded for water distribution in 2012 in the amount of \$156,434. The loan is interest free and will be repaid in semi-annual installments of \$2,607 over 30 years.

The Ohio Public Works Commission (OPWC) loan #CQ28O was awarded for storm sewer replacement in 2011 in the amount of \$119,610 due to the storm water system project. The loan is interest free and will be repaid in semi-annual installments of \$3,987 over 30 years.

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

Year Ending December 31	OWDA #5142	OWDA #4928	OWDA #5149
2019	\$ 32,921	\$ 7,704	\$ 4,451
2020	32,921	7,704	4,451
2021	32,921	7,704	4,451
2022	32,921	7,704	4,451
2023	32,921	7,704	4,451
2024-2028	164,600	38,520	22,255
2029-2033	82,302	11,550	22,255
2034-2038	-	-	22,255
2039-2043	-	-	11,127
	<u>\$ 411,507</u>	<u>\$ 88,590</u>	<u>\$ 100,147</u>

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**9. DEBT (Continued)**

Year Ending December 31	OPWC #CQ04J	OPWC #CQ28O	OPWC #CQ36N	OPWC #CT98M
2019	\$ 1,329	\$ 3,987	\$ 305	\$ 5,214
2020	1,329	3,987	305	5,214
2021	1,329	3,987	305	5,214
2022	1,329	3,987	305	5,214
2023	1,329	3,987	305	5,214
2024-2028	3,985	19,935	608	26,070
2029-2033	-	19,935	-	26,075
2034-2038	-	19,935	-	26,075
2039-2043	-	13,954	-	13,036
	<u>\$ 10,630</u>	<u>\$ 93,694</u>	<u>\$ 2,133</u>	<u>\$ 117,326</u>

**10. RESTATEMENT OF FUND BALANCE**

Fund balances in the General and Special Revenue Funds have been restated for the year beginning January 1, 2018 as voided checks were added back:

	General	Special Revenue
Fund Balance at December 31, 2017	\$ 175,906	\$ 555,923
Adjustments	117	235
Fund Balance at January 1, 2018	<u>\$ 176,023</u>	<u>\$ 556,158</u>

**11. EXTRAORDINARY ITEM**

The Village found seven dollars in cash in the police department and deposited it in 2018.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Village of Buckeye Lake  
Licking County  
5192 Walnut Road SE  
PO Box 27  
Buckeye Lake, Ohio 43008

To the Village Council:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Village of Buckeye Lake, Licking County as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated July 6, 2020, 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.

***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or 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 Village's financial statements.

Our consideration of internal control was for the limited purpose described in the first 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. We did identify certain deficiencies in internal control described in the accompanying schedule of findings, that we consider material weaknesses. We consider Findings 2019-002, 2019-004 and 2019-005 to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village of Buckeye Lake's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed three instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2019-001, 2019-003 and 2019-004.

***Entity's Response to Finding***

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

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

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
July 6, 2020



**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

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

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

**FINDING NUMBER 2019-001**

**Noncompliance – Certification of Funds**

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates and super blanket certificates, which are provided for in Sections 5705.41(D) (1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- If the fiscal officer can certify that both at the time that the contract or order was made ("then") and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has 30 days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of the expenditures by the Village.
- Blanket Certificates. Fiscal officers may prepare "blanket" certificates if the Village has approved their use and established maximum amounts.
- Super Blanket Certificates. The Village may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operation expense. This certification is not to extend beyond the current year. More than one so-called "super blanket" certificate may be outstanding at a particular time for any line item appropriation.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

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

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

**FINDING NUMBER 2019-001 (Continued)**

The Village did not certify the availability of funds prior to the purchase commitment for 29% of expenditures tested. For these items the Village also did not prepare blanket certificates, super blankets certificates or then and now certificates in accordance with the Ohio Revised Code. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

We recommend the Village certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the Village incurs a commitment and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper code, to reduce available appropriations.

Client Response: The Village of Buckeye Lake is in the process of utilizing purchase orders in accordance with Section 5705.41(D).

**FINDING NUMBER 2019-002**

**Material Weakness – Posting of Budget**

The Village should have internal controls in place to reasonably assure that budgetary accounts are integrated into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and disbursements.

The Village does enter budgetary data for estimated receipts and expenditures. However, the amounts entered do not agree with the Official Certificate of Estimated Resources or approved appropriations. This can lead to decisions being made on faulty budgetary data and can lead to overspending and creating a negative fund balance if not monitored.

We recommend that the Village post the approved appropriations and official certificate of estimated resources to the UAN system around the first of each year. Then any amendments to those official documents be posted to the system upon approval. This will lead to correct budgetary information and Village decisions can be made on accurate data.

Client Response: The Village of Buckeye Lake has hired a traveling clerk to correct the budgetary data from the Village to the County records.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

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

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

**FINDING NUMBER 2019-003**

**Noncompliance – Appropriations Exceeding Estimated Resources**

Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission. In addition, no appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total estimate or amended official estimate.

		Estimated			
Fund	Year	Resources		Appropriations	Variance
Park	2019	\$ 2,181		\$ 2,231	\$ (50)
Storm Water Utility	2019	108,842		153,000	(44,158)
Police Levy	2018	235,324		241,144	(5,820)

We recommend Council review estimated resources versus appropriations throughout the year. Also, Council should not approve appropriations greater than estimated resources. This could result in the Village spending more money than it receives and could cause possible negative fund balances.

Client Response: The Village of Buckeye Lake has hired a traveling clerk to correct the budgetary process.

**FINDING NUMBER 2019-004**

**Noncompliance/ Material Weakness – Financial Reporting**

All local offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Village Officer’s Handbook provides suggested accounts classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications and the aforementioned accounting records will provide the Village with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

Ohio Revised Code Section 5705.10(D) states that all revenue derived from a source other than the general property tax and which the law prescribes, shall be used for a particular purpose is to be paid into a special fund for such purpose.

The Village did not properly post and classify all receipts and expenditures. Errors were made in recording various transactions. Amounts were not always posted to the correct fund and/or line item. The following adjustments and reclassifications were made.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

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

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

**FINDING NUMBER 2019-004 (Continued)**

Adjustments:

- In 2018, an adjustment was made to decrease Property and Other Taxes in the amount of \$31,669 and to increase Intergovernmental Revenue in the General Fund, Fire Levy Fund, Street Lighting Fund, and Police Levy Fund in the amounts of \$11,654, \$12,149, \$2,430, and \$5,436.
- In 2019, an adjustment was made to increase Property and Other Local Taxes in the amounts of \$8,038 and \$322 and a corresponding increase in General Government expenditures for the General Fund and the Street Lighting Fund, respectively to gross up Real Estate Tax monies received that were recorded at net.
- In 2019, an adjustment was made to record Loans Issued and Capital Outlay expenditures in the amount of \$79,162 for the Police Levy Fund for 2 new loans obtained through North Valley Bank.
- In 2019, an adjustment was made to decrease Special Assessments recorded in the General Fund and to increase Property and Other Taxes in the Street Lighting Fund in the amount of \$25,016.
- In 2019, an adjustment was made to decrease Property and Other Taxes in the amount of \$66,247 and to increase Intergovernmental Revenue in the General Fund, Fire Levy Fund, Street Lighting Fund, and Police Levy Fund in the amounts of \$24,491, \$25,343, \$5,070, and \$11,343.

Reclassifications:

- In 2018, a reclassification from Property and Other Taxes to Intergovernmental Revenue in the amounts of \$11,688, \$12,138, \$2,428, and \$5,431, respectively, for the General Fund, Fire Levy Fund, Street Lighting Fund, and Police Levy Fund, for rollback monies received.
- In 2018, a reclassification from Transportation to Principal Retirement in the amount of \$2,747 in the Special Revenue Funds to properly show debt payments.
- In 2018, a reclassification from Contractual Services to Principal Retirement in the amount of \$2,607 in the Enterprise Funds to properly show debt payments.
- In 2019, a reclassification from Security of Persons & Property to Principal Retirement and Interest and Fiscal Charges in the amounts of \$7,752 and \$1,865, respectively, in the Special Revenue Funds to properly show debt payments.
- In 2019, a reclassification from Supplies and Materials to Principal Retirement in the amount of \$5,419 for the Enterprise Funds to properly show debt payments.
- In 2019 and 2018, a reclassification from Unassigned Fund Balance to Assigned Balance in the amount of \$3,552 and \$2,815, respectively for the General Fund for outstanding encumbrances at year end.

The adjustments and reclassifications with which the Village Official's agree are reflected in the accompanying financial statements and posted to the accounting records.

We recommend the Village utilize available authoritative resources to appropriately classify and record all receipt and expenditure transactions.

Client Response: The Village of Buckeye Lake has hired a traveling clerk to ensure that there is a proper posting and classifying all receipts and expenditures. All audit adjustments will be corrected to the fund balance for 2020.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

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

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

**FINDING NUMBER 2019-005**

**Material Weakness – Bank to Book Reconciliation**

Monthly bank reconciliations should be performed by the Fiscal Officer to determine if all receipts and disbursements have been properly posted. Reconciling items should be investigated at the time of the reconciliation and resolved in a timely manner. Documentation supporting all reconciling items should be included with the reconciliation. Reconciliations should include all bank accounts and book balances.

The Village did not perform timely bank to book reconciliations throughout fiscal years 2019 and 2018.

The following months for 2019 were not reconciled timely:

- January through July were not completed until December of 2019;
- August through November were not completed until January of 2020;
- December was not completed until February 2020.

The following months for 2018 were not reconciled timely:

- April was not completed until September of 2018;
- May was not completed until October of 2018;
- June through August were not completed until November of 2018;
- September and October were not completed until December of 2018,
- December was not completed until February 2019.

It was also noted that the Village's December 31, 2019 bank reconciliations included a variance of \$2,265.

The Village had numerous outstanding checks on the December 31, 2018 bank reconciliation that needed cleared or voided.

When bank reconciliations are not properly performed, monthly fund balances may be understated or overstated and management cannot be assured that the ledgers reflect the proper financial activities of the Village. Failure to reconcile bank to book balances and include all bank transactions with significant explanation may result in errors or irregularities undetected by management and misguided decisions made by Council based on inaccurate financial reports provided to them.

We recommend the Fiscal Officer perform accurate monthly bank-to-book reconciliations that identify all reconciling items and clear any items that can be cleared. Additionally, we recommend the Village timely investigate and resolve outstanding reconciling items/factors as they are identified.

Client Response: The Village of Buckeye Lake has hired a traveling clerk to ensure all bank reconciliations are performed monthly.

**VILLAGE OF BUCKEYE LAKE  
LICKING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2017-001	ORC 5705.41(D) Certifications of Funds	No	Not Corrected: Stated as Finding Number 2019-001 in current report
2017-002	Posting of budget receipts and appropriations to UAN	No	Not Corrected: Stated as Finding Number 2019-002 in current report

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF BUCKEYE LAKE**

**LICKING 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 12/24/2020**

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

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