

**VILLAGE OF PLEASANT HILL
MIAMI COUNTY, OHIO**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2019



OHIO AUDITOR OF STATE
KEITH FABER



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Members of Council
Village of Pleasant Hill
P.O. Box 557
Pleasant Hill, Ohio 45359

We have reviewed the *Independent Auditor's Report* of the Village of Pleasant Hill, Miami County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2019 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 Pleasant Hill 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

November 18, 2020

**VILLAGE OF PLEASANT HILL
MIAMI COUNTY
REGULAR AUDIT
For the Year Ended December 31, 2019
TABLE OF CONTENTS**

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report	1-2
Basic Financial Statements:	
Statement of Net Position – Cash Basis	3
Statement of Activities – Cash Basis	4-5
Statement of Assets and Fund Balances – Cash Basis	
-Governmental Funds	6
Statement of Receipts, Disbursements and Changes in Fund Balances-Cash Basis	
-Governmental Funds	7
Schedule of Receipts, Disbursements and Changes in Fund-Budget and Actual (Budgetary Basis):	
General Fund	8
Street Construction Maintenance and Repair Fund	9
Statement of Net Position – Cash Basis-Proprietary Funds	10
Statement of Receipts, Disbursements and Changes in Fund Net Position-Cash Basis	
-Proprietary Funds	11
Notes to the Basic Financial Statements	12-26
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	27-28
Schedule of Prior Findings-Prepared by Management	29

INDEPENDENT AUDITOR'S REPORT

Village of Pleasant Hill
Miami County
P.O. Box 557
Pleasant Hill, Ohio 45359-0557

To the Village Council:

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, business-activities, each major fund, and the aggregate remaining fund information of the Village of Pleasant Hill, Miami County (the Village) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2. This responsibility includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Pleasant Hill, Miami County, as of December 31, 2019, and the respective changes in cash basis financial position and the budgetary comparison for the General and Street Construction Maintenance and Repair funds thereof for the year then ended in accordance with the cash basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the financial 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 our report dated August 28, 2020 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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.



Charles E. Harris & Associates, Inc.
August 28, 2020

Village of Pleasant Hill, Ohio
Miami County
Statement of Net Position - Cash Basis
December 31, 2019

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,219,867	\$500,043	\$1,719,910
<i>Total Assets</i>	<u>\$1,219,867</u>	<u>\$500,043</u>	<u>\$1,719,910</u>
Net Position			
Restricted for:			
Debt Service	-	53,998	53,998
Other Purposes	207,022	-	207,022
Unrestricted	1,012,845	446,045	1,458,890
<i>Total Net Position</i>	<u>\$1,219,867</u>	<u>\$500,043</u>	<u>\$1,719,910</u>

See accompanying notes to the basic financial statements

Village of Pleasant Hill, Ohio
Miami County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2019

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Current:				
Security of Persons and Property	\$74,895	\$ -	\$ -	\$ -
Public Health Services	18,640	25,201	-	-
Leisure Time Activities	23,978	-	-	-
Transportation	14,732	-	78,297	59,105
General Government	157,708	-	-	-
Capital Outlay	1,484	-	-	-
Debt Service:				
Principal Retirement	59,845	-	-	-
<i>Total Governmental Activities</i>	<u>351,282</u>	<u>25,201</u>	<u>78,297</u>	<u>59,105</u>
Business-Type Activities				
Water Operating	116,969	108,286	-	-
Sewer Operating	114,890	141,841	-	-
Water Line and Tower Improvements	58,891	-	-	50,981
Sewer Line, Plant and Improvements	82,599	76,608	-	-
Refuse	120,637	115,555	-	-
<i>Total Business-Type Activities</i>	<u>493,986</u>	<u>442,290</u>	<u>-</u>	<u>50,981</u>
<i>Total Primary Government</i>	<u><u>\$845,268</u></u>	<u><u>\$467,491</u></u>	<u><u>\$78,297</u></u>	<u><u>\$110,086</u></u>

General Receipts:
Property Taxes Levied for:
 General Purposes
Income Taxes
Grants and Entitlements not Restricted to Specific Programs
Cable Franchise Fees
Earnings on Investments
Miscellaneous

Total General Receipts

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Disbursements) Receipts and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$74,895)	\$ -	(\$74,895)
6,561	-	6,561
(23,978)	-	(23,978)
122,670	-	122,670
(157,708)	-	(157,708)
(1,484)	-	(1,484)
(59,845)	-	(59,845)
(188,679)	-	(188,679)
-	(8,683)	(8,683)
-	26,951	26,951
-	(7,910)	(7,910)
-	(5,991)	(5,991)
-	(5,082)	(5,082)
-	(715)	(715)
(188,679)	(715)	(189,394)
22,164	-	22,164
249,545	-	249,545
40,383	-	40,383
11,187	-	11,187
31,247	-	31,247
11,792	2,141	13,933
366,318	2,141	368,459
177,639	1,426	179,065
1,042,228	498,617	1,540,845
\$1,219,867	\$500,043	\$1,719,910

Village of Pleasant Hill, Ohio
 Miami County
 Statement of Assets and Fund Balances - Cash Basis
 Governmental Funds
 December 31, 2019

	General	Street, Construction Maintenance Repair Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,012,845	\$115,220	\$91,802	\$1,219,867
<i>Total Assets</i>	<u>\$1,012,845</u>	<u>\$115,220</u>	<u>\$91,802</u>	<u>\$1,219,867</u>
Fund Balances				
Restricted	-	115,220	91,802	207,022
Assigned	24,351	-	-	24,351
Unassigned (Deficit)	988,494	-	-	988,494
<i>Total Fund Balances</i>	<u>\$1,012,845</u>	<u>\$115,220</u>	<u>\$91,802</u>	<u>\$1,219,867</u>

See accompanying notes to the basic financial statements

Village of Pleasant Hill, Ohio
Miami County
Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2019

	General	Street, Construction Maintenance Repair Fund	Other Governmental Funds	Total Governmental Funds
Receipts				
Municipal Income Taxes	\$249,545	\$ -	\$ -	\$249,545
Property Taxes	22,164	-	-	22,164
Other Local Taxes	-	-	6,661	6,661
Intergovernmental	43,181	63,184	8,452	114,817
Special Assessments	38,480	-	20,625	59,105
Charges for Services	2,022	-	23,179	25,201
Fines, Licenses and Permits	12,127	-	-	12,127
Earnings on Investments	29,225	1,600	422	31,247
Miscellaneous	8,045	8	1	8,054
<i>Total Receipts</i>	<u>404,789</u>	<u>64,792</u>	<u>59,340</u>	<u>528,921</u>
Disbursements				
Current:				
Security of Persons and Property	55,171	-	19,724	74,895
Public Health Services	-	-	18,640	18,640
Leisure Time Activities	23,978	-	-	23,978
Transportation	1,000	11,938	1,794	14,732
General Government	157,708	-	-	157,708
Capital Outlay	1,484	-	-	1,484
Debt Service:				
Principal Retirement	59,845	-	-	59,845
<i>Total Disbursements</i>	<u>299,186</u>	<u>11,938</u>	<u>40,158</u>	<u>351,282</u>
<i>Net Change in Fund Balances</i>	105,603	52,854	19,182	177,639
<i>Fund Balances Beginning of Year</i>	<u>907,242</u>	<u>62,366</u>	<u>72,620</u>	<u>1,042,228</u>
<i>Fund Balances End of Year</i>	<u>\$1,012,845</u>	<u>\$115,220</u>	<u>\$91,802</u>	<u>\$1,219,867</u>

See accompanying notes to the basic financial statements

Village of Pleasant Hill, Ohio
Miami County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal Income Taxes	\$242,217	\$242,218	\$249,545	\$7,327
Property Taxes	25,514	25,514	22,164	(3,350)
Intergovernmental	39,795	39,795	43,181	3,386
Special Assessments	32,911	32,911	38,480	5,569
Charges for Services	2,000	2,000	2,022	22
Fines, Licenses and Permits	11,550	11,550	12,127	577
Earnings on Investments	20,000	20,000	29,225	9,225
Miscellaneous	1,500	1,500	8,045	6,545
<i>Total Receipts</i>	<i>375,487</i>	<i>375,488</i>	<i>404,789</i>	<i>29,301</i>
Disbursements				
Current:				
Security of Persons and Property	33,284	55,284	55,171	113
Leisure Time Activities	23,000	28,000	23,978	4,022
Transportation	11,500	8,055	1,000	7,055
General Government	176,698	192,659	157,898	34,761
Capital Outlay	53,500	52,000	1,484	50,516
Debt Service:				
Principal Retirement	59,845	59,845	59,845	-
<i>Total Disbursements</i>	<i>357,827</i>	<i>395,843</i>	<i>299,376</i>	<i>96,467</i>
<i>Net Change in Fund Balance</i>	<i>17,660</i>	<i>(20,355)</i>	<i>105,413</i>	<i>125,768</i>
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>906,245</i>	<i>906,245</i>	<i>906,245</i>	<i>-</i>
Prior Year Encumbrances Appropriated	998	998	998	-
<i>Unencumbered Fund Balance End of Year</i>	<i>\$924,903</i>	<i>\$886,888</i>	<i>\$1,012,656</i>	<i>\$125,768</i>

See accompanying notes to the basic financial statements

Village of Pleasant Hill, Ohio
Miami County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Street Construction Maintenance & Repair
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$ 51,300	\$ 51,300	\$ 63,184	\$ 11,884
Earnings on Investments	100	100	1,600	1,500
Miscellaneous	-	-	8	8
<i>Total Receipts</i>	<u>51,400</u>	<u>51,400</u>	<u>64,792</u>	<u>13,392</u>
Disbursements				
Current:				
Transportation	19,090	19,090	11,938	7,152
Capital Outlay	<u>30,000</u>	<u>30,000</u>	-	<u>30,000</u>
<i>Total Disbursements</i>	<u>49,090</u>	<u>49,090</u>	<u>11,938</u>	<u>37,152</u>
<i>Net Change in Fund Balance</i>	2,310	2,310	52,854	50,544
<i>Unencumbered Fund Balance Beginning of Year</i>	60,766	60,766	60,766	-
Prior Year Encumbrances Appropriated	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$64,676</u>	<u>\$64,676</u>	<u>\$115,220</u>	<u>\$50,544</u>

See accompanying notes to the basic financial statements

Village of Pleasant Hill, Ohio
XYZ County
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2019

	Business-Type Activities					Total Enterprise Funds
	Water Operating Fund	Sewer Operating Fund	Water Improvement Fund	Sewer Improvement Fund	Refuse Fund	
Assets						
Equity in Pooled Cash and Cash Equivalents	\$117,136	\$245,479	\$56,025	\$53,998	\$27,405	\$500,043
<i>Total Assets</i>	<u>\$117,136</u>	<u>\$245,479</u>	<u>\$56,025</u>	<u>\$53,998</u>	<u>\$27,405</u>	<u>\$500,043</u>
Net Position						
Restricted for:						
Debt Service	\$ -	\$ -	\$ -	\$ 53,998	\$ -	\$ 53,998
Unrestricted	117,136	245,479	56,025	-	27,405	446,045
<i>Total Net Position</i>	<u>\$117,136</u>	<u>\$245,479</u>	<u>\$56,025</u>	<u>\$53,998</u>	<u>\$27,405</u>	<u>\$500,043</u>

See accompanying notes to the basic financial statements

Village of Pleasant Hill, Ohio
Miami County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities					Total Enterprise Funds
	Water Operating Fund	Sewer Operating Fund	Water Improvement Fund	Sewer Improvement Fund	Refuse Fund	
Operating Receipts						
Charges for Services	\$107,986	\$141,841	\$ -	\$ -	\$115,555	\$365,382
<i>Total Operating Receipts</i>	<u>107,986</u>	<u>141,841</u>	<u>-</u>	<u>-</u>	<u>115,555</u>	<u>365,382</u>
Operating Disbursements						
Personal Services	38,416	44,339	-	-	-	82,755
Employee Fringe Benefits	8,517	9,209	-	-	-	17,726
Contractual Services	16,952	46,815	-	-	120,318	184,085
Supplies and Materials	7,650	3,746	-	-	319	11,715
Other	473	493	-	-	-	966
<i>Total Operating Disbursements</i>	<u>72,008</u>	<u>104,602</u>	<u>-</u>	<u>-</u>	<u>120,637</u>	<u>297,247</u>
<i>Operating Income (Loss)</i>	35,978	37,239	-	-	(5,082)	68,135
Non-Operating Receipts (Disbursements)						
Special Assessments	300	-	50,981	76,608	-	127,889
Miscellaneous Receipts	1,314	827	-	-	-	2,141
Capital Outlay	(44,961)	(10,288)	(15,412)	-	-	(70,661)
Principal Retirement	-	-	(43,479)	(82,599)	-	(126,078)
<i>Total Non-Operating Disbursements</i>	<u>(43,347)</u>	<u>(9,461)</u>	<u>(7,910)</u>	<u>(5,991)</u>	<u>-</u>	<u>(66,709)</u>
<i>Change in Net Position</i>	(7,369)	27,778	(7,910)	(5,991)	(5,082)	1,426
<i>Net Position Beginning of Year</i>	<u>124,505</u>	<u>217,701</u>	<u>63,935</u>	<u>59,989</u>	<u>32,487</u>	<u>498,617</u>
<i>Net Position End of Year</i>	<u>\$117,136</u>	<u>\$245,479</u>	<u>\$56,025</u>	<u>\$53,998</u>	<u>\$27,405</u>	<u>\$500,043</u>

See accompanying notes to the basic financial statements

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Village of Pleasant Hill (the Village), Miami County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of Pleasant Hill provides the following services to its citizens: police protection (Contract with the Miami County Sheriff Office), street maintenance and repairs, water, sewer and refuse collection.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a modified cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village’s accounting policies.

Basis of Presentation

The Village’s basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village’s governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible.

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies – (continued)

Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions.

The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a modified cash basis or draws from the general receipts of the Village.

Fund Financial Statements During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

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 in two categories: governmental and proprietary.

Governmental Funds Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

General 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.

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

The other governmental funds of the Village account for and report other resources whose use is restricted, committed or assigned to a particular purpose.

Proprietary Funds The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major enterprise funds:

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies – (continued)

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

Water Improvement Fund The water improvement fund accounts for the improvements of water supply lines to the residents and commercial users within the Village.

Sewer Improvement Fund The sewer improvement fund accounts for the improvements of sanitary sewer lines to the residents and commercial users within the Village.

Refuse Fund The refuse fund accounts for the provision of curbside collection of solid waste and recycling service to the residents located within the Village.

Basis of Accounting

The Village's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by Village Council.

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies – (continued)

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2019, the Village invested in nonnegotiable certificates of deposit and a money market mutual fund, and STAR Ohio. Investments are reported at cost. The Village’s money market mutual fund investment is recorded at the amount reported by Unity National Bank on December 31, 2019.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2019 was \$29,225, to the Street Construction Maintenance and Repair Fund \$1,600, to the State Highway Improvement Fund \$146, to the Permissive License Fees Fund \$236, and to the Perpetual Care Fund \$40.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies – (continued)

Accumulated Leave

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

Long-Term Obligations

The Village's modified cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB), respectively.

Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for special revenue funds. For example, funds collected in the Street Construction, Maintenance and Repair Fund can only be expended for Road and Bridge Maintenance.

The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. The Village does not have any Nonspendable funds.

Restricted Fund balance is reported as 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.

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies – (continued)

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution), as both are equally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution or by State Statute. State Statute authorizes the Village Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not 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 (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 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is (and any major special revenue fund are) prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Basis of Accounting – (continued)

The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as assigned or restricted fund balance (cash basis).

Note 4 – Deposits and Investments

State statutes classify monies held by the Village into three categories.

Active deposits are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) by or by the financial institutions participation in 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.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments – (continued)

5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Note 5 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 5 – Taxes – (continued)

The full tax rate for all Village operations for the year ended December 31, 2019, was \$1.40 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

Real Property	\$16,878,940	
Public Utility Personal Property	606,560	606,560
Total	\$17,485,500	\$17,485,500

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

Income Taxes

The Village levies a .75 percent income tax on substantially all income earned in the Village. In addition, Village does not provide a credit for residents employed in municipalities having an income tax. Additional increases in the income tax rate above 1 percent require voter approval. Employers within the Village withhold income tax on employee compensation and remit at least quarterly and file an annual declaration.

The Village’s income tax ordinance does not require tax receipts be spent or allocated in any specific manner. Tax receipts are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council.

Note 6 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the Village contracted with The Ohio Plan Risk Management, Inc. through Hylant Administrative Services, LLC for various types of insurance as follows:

Automobile Liability	\$5,000,000	\$0
Public Officials Liability	5,000,000	1,000
Employment Practice Liability	5,000,000	1,000
Computer - Hardware	13,424	250
Computer - Software	10,457	250
Public Employee Dishonesty	35,000	250
Money and Securities	5,000	0

Settled claims have not exceeded this commercial coverage in any of the past three years.

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

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 7 – Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Village employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 7 – Defined Benefit Pension Plans – (continued)

Group A Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 7 – Defined Benefit Pension Plans – (continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

** This employer health care rate is for the Traditional and Combined Plans. The employer contribution for the Member-Directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village’s contractually required contribution was \$24,410 for year 2019.

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 7 – Defined Benefit Pension Plans – (continued)

Social Security

All elected officials of the Village participate in Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

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.

Note 8 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 8 – Postemployment Benefits – (continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, State and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2019 was 4.0 percent.

Note 9 – Debt

Loans

The Village had 10 outstanding loans at the end of 2018. Eight loans were from the Ohio Public Works Commission for a water tower and street reconstruction projects completed from 2004 through 2018. The other 2 loans were from the Ohio Water Development Authority for a new waste water treatment plant and the extension of the sewer system on Lauver Road. All ten loans are at 0 percent interest. All loans are listed below:

LOAN NUMBER	PROJECT	BALANCE AS OF DECEMBER 31, 2019	ANNUAL PAYMENT
OPWC Loan CT24K	West Monument Street	\$ 96,035.50	\$10,109.00
OPWC Loan CK07F	Water Tower	\$105,325.49	\$21,065.06
OPWC Loan CT17L	East Monument Street	\$144,825.00	\$14,482.50
WPCLF Loan CS390760-002	Waste Water Treatment Plant	\$862,112.60	\$74,966.30
OPWC Loan CK13N	North Church Street	\$62,500.00	\$5,000.00
OPWC Loan CK11O	South Main Street	\$192,156.46	\$14,233.82
WPCLF Loan CS390760-003	Walnut St/Lauver Rd Sewer Extension	\$69,438.92	\$6,038.18
OPWC Loan CK14P	Hill and Maple Streets	\$395,659.81	\$16,485.82
OPWC Loan CK15Q	North Main Street	\$406,759.64	\$15,644.60
OPWC Loan CT23U	2018 Various Streets	\$229,056.12	\$7,898.48
Totals		\$2,563,869.54	\$185,923.76

Village of Pleasant Hill, Ohio
Miami County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10– Subsequent Event

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 investments, future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 11– Fund Balances

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Maint & Repair Fund	Governmental Funds	Total	
Restricted for					
Road Improvements	\$ -	\$ 115,220	\$ 27,380	\$ 142,600	
Cemetery	-	-	51,133	51,133	
Street Lights	-	-	11,206	11,206	
Other	-	-	2,083	2,083	
<i>Total Restricted</i>	-	115,220	91,802	207,022	
Assigned to					
Encumbrances	190	-	-	190	
Other Purposes	24,161	-	-	24,161	
<i>Total Assigned</i>	24,351	-	-	24,351	
Unassigned (Deficits)	988,494	-	-	988,494	
<i>Total Fund Balances</i>	<u>\$1,012,845</u>	<u>\$115,220</u>	<u>\$91,802</u>	<u>\$1,219,867</u>	

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Village of Pleasant Hill
Miami County
P.O. Box 557
Pleasant Hill, Ohio 45359-0557

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Pleasant Hill, Miami County, Ohio, (the Village) as of and for the years ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated August 28, 2020, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Internal Controls 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) to determine the 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 Village'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 determination of financial statement amounts. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 28, 2020.

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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
August 28, 2020

VILLAGE OF PLEASANT HILL
MIAMI COUNTY
For the Year Ended December 31, 2019

SCHEDULE OF PRIOR AUDIT FINDINGS-PREPARED BY MANAGEMENT

FINDING NUMBER	FINDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2018-001	Material Weakness-Financial statements misstated	Partially Corrected	

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF PLEASANT HILL

MIAMI 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 12/1/2020

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