

VILLAGE OF RUSSIA

SHELBY COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018





88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Village Council
Village of Russia
232 West Main Street
P.O. Box 305
Russia, Ohio 45363

We have reviewed the *Independent Auditor's Report* of the Village of Russia, Shelby County, prepared by Charles E. Harris & Associates, 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 Russia is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

July 30, 2020

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**VILLAGE OF RUSSIA
SHELBY COUNTY
REGULAR AUDIT
For Years Ending December 31, 2019 and 2018**

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INDEPENDENT AUDITOR'S REPORT

Village of Russia
Shelby County
232 West Main Street
P.O. Box 305
Russia, Ohio 45363-0361

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 Russia, Shelby County, Ohio (the Village), 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 reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no 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 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Russia, Shelby County, Ohio, 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 1.

Emphasis of Matter

As discussed in Note 11 to the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinions regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 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. That report describes the scope of our testing of internal control 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.



Charles E. Harris & Associates, Inc.
May 4, 2020

**VILLAGE OF RUSSIA
SHELBY COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 20,178	\$ -	\$ -	\$ 20,178
Municipal Income Tax	283,208	-	121,288	404,496
Intergovernmental	27,221	50,756	70,766	148,743
Special Assessments	-	25,729	4,179	29,908
Charges for Services	9,861	-	-	9,861
Fines, Licenses and Permits	14,672	-	-	14,672
Earnings on Investments	7,144	-	-	7,144
Miscellaneous	63,042	-	-	63,042
<i>Total Cash Receipts</i>	425,326	76,485	196,233	698,044
Cash Disbursements				
Current:				
General Government	158,045	-	4,347	162,392
Security of Persons & Property	36,135	25,570	-	61,705
Leisure Time Activities	20,541	-	11,443	31,984
Transportation	118,422	50,514	33,000	201,936
Basic Utility Services	9,315	-	-	9,315
Public Health Services	3,142	-	-	3,142
Capital Outlay	35,279	-	-	35,279
Debt Service:				
Principal Retirement	-	-	5,829	5,829
<i>Total Cash Disbursements</i>	380,879	76,084	54,619	511,582
<i>Excess of Receipts Over (Under) Disbursements</i>	44,447	401	141,614	186,462
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	28,250	-	-	28,250
<i>Total Other Financing Receipts (Disbursements)</i>	28,250	-	-	28,250
<i>Net Change in Fund Cash Balances</i>	72,697	401	141,614	214,712
<i>Fund Cash Balances, January 1</i>	555,083	53,108	84,891	693,082
Fund Cash Balances, December 31				
Restricted	-	53,509	226,505	280,014
Assigned	139,801	-	-	139,801
Unassigned	487,979	-	-	487,979
<i>Fund Cash Balances, December 31</i>	<u>\$ 627,780</u>	<u>\$ 53,509</u>	<u>\$ 226,505</u>	<u>\$ 907,794</u>

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

VILLAGE OF RUSSIA
SHELBY COUNTY

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

Operating Cash Receipts	
Charges for Services	\$ 305,961
<i>Total Operating Cash Receipts</i>	<u>305,961</u>
Operating Cash Disbursements	
Personal Services	58,750
Fringe Benefits	14,112
Contractual Services	49,748
Supplies and Materials	35,551
Other	5,535
<i>Total Operating Cash Disbursements</i>	<u>163,696</u>
<i>Operating Income/(Loss)</i>	142,265
Non-Operating Cash Receipts (Disbursements)	
Property and Other Local Taxes	201,945
Capital Outlay	(59,933)
Debt Service:	
Principal	(92,309)
Interest and other fiscal charges	(32,522)
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<u>17,181</u>
<i>Income (Loss) before Transfers</i>	159,446
Transfers In	200,000
Transfers Out	<u>(200,000)</u>
Net Change in Fund Cash Balance	159,446
Fund Cash Balance, January 1	<u>999,786</u>
<i>Fund Cash Balance, December 31</i>	<u>\$ 1,159,232</u>

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

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Russia, Shelby County (the Village), as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides water, sewer, and trash utilities, park operations, and fire protection services. The Village contracts with the Shelby County Sheriff's Office to provide security of persons and property. The Village contracts with the Village of Versailles to receive emergency medical services.

The Village participates in a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan, (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 Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Basis of Presentation

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

C. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

D. Deposits

The Village invests funds in Star Ohio. The balance of all funds is invested in a checking account.

E. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Accounting (Continued)

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax monies for constructing, maintaining, and repairing Village streets.

Special Assessment Street Lighting – This fund receives special assessments used to maintain Village Street Lighting.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had no significant Debt Service Fund.

4. Capital Project Funds

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

Capital Improvement Fund - This fund receives a portion of the municipal income tax for permanent improvement and repayment of debt relating to capital expenditures.

5. Enterprise Funds

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

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

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

Utility Improvement Fund - This fund receives a portion of the municipal income tax to be used for the construction, maintenance, and repair of the water and sewer plants.

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2019 budgetary activity appears in Note 3.

G. 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:

1. Nonspendable

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

2. 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.

3. Committed

Council can *commit* amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless the Council amends the ordinance or 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.

VILLAGE OF RUSSIA
SHELBY COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fund Balance (Continued)

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute. The Village 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.

5. Unassigned

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

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

H. Property, Plant and Equipment

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

I. Accumulated Leave

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

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019
(Continued)**

2. DEPOSITS AND INVESTMENTS

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. The Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. Interest is reinvested at month end. Demand deposits of \$1,634,584 plus Star Ohio of \$432,442 equal total deposits and investments of \$2,067,026.

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

	2019
Demand Deposits	\$ 1,634,584
Star Ohio	432,442
Total deposits and investments	<u>\$ 2,067,026</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2019

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 363,602	\$ 453,576	\$ 89,974
Special Revenue	70,886	76,485	5,599
Capital Projects	180,414	196,233	15,819
Enterprise	657,000	707,906	50,906

2019 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 571,575	\$ 380,879	\$ 190,696
Special Revenue	110,700	76,084	34,616
Capital Projects	145,500	54,619	90,881
Enterprise	984,830	548,460	436,370

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

5. DEBT

Debt outstanding at December 31, 2019 was as follows:

OWDA Loan 502	\$ 2,098,999
OPWC Loan CM10L	5,316
OPWC Loan CM22U	34,128
OPWC Loan CM13V	<u>74,701</u>
Total	<u>\$ 2,213,144</u>

The Ohio Water Department Authority (OWDA) and the Ohio Public Works Commission (OPWC) loans were issued to pay for improvements to sewer system and install the water system within the Village, and the Liberty Street Reconstruction project. The OWDA loan is being repaid in semi-annual installments of \$62,275, including interest. OPWC Loan CM10L is being repaid in semi-annual installments of \$140. OPWC Loan CM22U was issued in 2018 to fund the installation of the Industrial Park Bridge paid from the Capital Projects Fund. OPWC Loan CM22U is being repaid in semi-annual installments of \$948. The OPWC Loan CM13V was issued in 2018 and is being repaid in semi-annual installments of \$1966.58. The OWDA and OPWC loans are collateralized by the Village's taxing authority. The balance of the OWDA loan #5202 includes \$10,463 of OWDA fees.

For all of the loans associated with the water and sewer projects the water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover debt service requirements.

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019
(Continued)**

5. DEBT (Continued)

Amortization of the above debt for which all principal has been disbursed at December 31, 2019, including interest, is scheduled as follows:

Year ending December 31:	OWDA Loan # 5202	OPWC CM10L	OPWC CM22U	OPWC CM13V
2020	\$ 62,275	\$ 140	\$ 948	\$ 1,967
2021	124,550	280	1,896	3,933
2022	124,550	280	1,896	3,933
2023	124,550	280	1,896	3,933
2024	124,550	280	1,896	3,933
2025-2029	622,751	1,399	9,480	19,665
2030-2034	622,751	1,399	9,480	19,665
2035-2039	622,751	1,261	6,636	17,701
Total	<u>\$2,428,728</u>	<u>\$ 5,319</u>	<u>\$ 34,128</u>	<u>\$ 74,730</u>

6. RETIREMENT SYSTEM

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

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

7. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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 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 members in the member-directed plan was 4.0 percent during calendar year 2019.

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019
(Continued)**

8. RISK MANAGEMENT

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township 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.

The Village has not reduced coverage from last year. Settlement amounts did not exceed insurance coverage for the past two years.

Risk Pool Membership

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

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

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.

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.

9. INCOME TAX

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income from residents earned outside the Village.

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

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2019
(Continued)**

10. TRANSFERS

Following is a summary of transfer in and out of all funds for 2019:

Fund	Transfer In	Transfer Out
Enterprise Funds		
Water Operating	\$ 200,000	\$ -
Utility Improvement	<u>-</u>	<u>200,000</u>
Totals	<u>\$ 200,000</u>	<u>\$ 200,000</u>

By Village Ordinance the Utility Improvement fund receives a portion the Municipal Income Tax for the purpose of the installation, operation and maintenance of Village utilities.

11. 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 Village's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**VILLAGE OF RUSSIA
SHELBY COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 19,667	\$ -	\$ -	\$ 19,667
Municipal Income Tax	240,656	-	103,065	343,721
Intergovernmental	26,266	46,248	486,397	558,911
Special Assessments	-	25,987	13,719	39,706
Charges for Services	9,372	-	-	9,372
Fines, Licenses and Permits	15,834	-	-	15,834
Earnings on Investments	298	-	-	298
Miscellaneous	22,325	-	100,100	122,425
<i>Total Cash Receipts</i>	334,418	72,235	703,281	1,109,934
Cash Disbursements				
Current:				
General Government	155,877	105	4,432	160,414
Security of Persons & Property	36,135	17,431	-	53,566
Leisure Time Activities	4,466	-	282,279	286,745
Transportation	36,044	41,600	593,683	671,327
Basic Utility Services	8,697	-	-	8,697
Public Health Services	2,992	-	-	2,992
Capital Outlay	47,769	-	4,516	52,285
Debt Service:				
Principal Retirement	-	-	1,896	1,896
<i>Total Cash Disbursements</i>	291,980	59,136	886,806	1,237,922
<i>Excess of Receipts Over (Under) Disbursements</i>	42,438	13,099	(183,525)	(127,988)
Other Financing Receipts (Disbursements)				
Proceeds of Loan	-	-	78,663	78,663
Sale of Capital Assets	9,251	-	-	9,251
<i>Total Other Financing Receipts (Disbursements)</i>	9,251	-	78,663	87,914
<i>Net Change in Fund Cash Balances</i>	51,689	13,099	(104,862)	(40,074)
<i>Fund Cash Balances, January 1</i>	503,394	40,009	189,753	733,156
Fund Cash Balances, December 31				
Restricted	-	53,108	84,891	137,999
Assigned	242,630	-	-	242,630
Unassigned	312,453	-	-	312,453
<i>Fund Cash Balances, December 31</i>	<u>\$ 555,083</u>	<u>\$ 53,108</u>	<u>\$ 84,891</u>	<u>\$ 693,082</u>

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

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

<hr/> <hr/>	
Operating Cash Receipts	
Charges for Services	\$ 303,600
Miscellaneous	4,013
<i>Total Operating Cash Receipts</i>	<u>307,613</u>
 Operating Cash Disbursements	
Personal Services	55,442
Fringe Benefits	13,303
Contractual Services	46,028
Supplies and Materials	27,022
Other	2,063
<i>Total Operating Cash Disbursements</i>	<u>143,858</u>
 <i>Operating Income/(Loss)</i>	 163,755
 Non-Operating Cash Receipts (Disbursements)	
Property and Other Local Taxes	171,602
Capital Outlay	(201,908)
Debt Service:	
Principal	(90,943)
Interest and other fiscal charges	(33,887)
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<u>(155,136)</u>
 <i>Income (Loss) before Transfers</i>	 8,619
 Transfers In	 100,000
Transfers Out	<u>(100,000)</u>
 Net Change in Fund Cash Balance	 8,619
 Fund Cash Balance, January 1	 <u>991,167</u>
 <i>Fund Cash Balance, December 31</i>	 <u><u>\$ 999,786</u></u>

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

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Russia, Shelby County (the Village), as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides water, sewer, and trash utilities, park operations, and fire protection services. The Village contracts with the Shelby County Sheriff's Office to provide security of persons and property. The Village contracts with the Village of Versailles to receive emergency medical services.

The Village participates in a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan, (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 Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Basis of Presentation

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

C. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

D. Deposits

The Village invests funds in Star Ohio. The balance of all funds is invested in a checking account.

E. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2018
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Accounting (Continued)

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax monies for constructing, maintaining, and repairing Village streets.

Special Assessment Street Lighting – This fund receives special assessments used to maintain Village Street Lighting.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had no significant Debt Service Fund.

4. Capital Project Funds

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

Capital Improvement Fund - This fund receives a portion of the municipal income tax for permanent improvement and repayment of debt relating to capital expenditures.

5. Enterprise Funds

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

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

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

Utility Improvement Fund - This fund receives a portion of the municipal income tax to be used for the construction, maintenance, and repair of the water and sewer plants.

VILLAGE OF RUSSIA
SHELBY COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2018
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2018 budgetary activity appears in Note 3.

G. 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:

1. Nonspendable

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

2. 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.

3. Committed

Council can *commit* amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless the Council amends the ordinance or 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.

VILLAGE OF RUSSIA
SHELBY COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2018
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fund Balance (Continued)

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute. The Village 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.

5. Unassigned

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

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

H. Property, Plant and Equipment

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

I. Accumulated Leave

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

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2018
(Continued)**

2. DEPOSITS AND INVESTMENTS

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. The investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. Interest is reinvested at month end. Demand deposits of \$1,592,570 plus Star Ohio of \$100,298 equal total deposits and investments of \$1,692,868.

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

	2018
Demand Deposits	\$ 1,592,570
Star Ohio	100,298
Total deposits and investments	\$ 1,692,868

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

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2018

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 336,949	\$ 343,669	\$ 6,720
Special Revenue	69,031	72,235	3,204
Capital Projects	776,093	781,944	5,851
Enterprise	558,000	579,215	21,215

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 494,373	\$ 291,980	\$ 202,393
Special Revenue	95,960	59,136	36,824
Capital Projects	934,933	886,806	48,127
Enterprise	863,300	570,596	292,704

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2018
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

5. DEBT

Debt outstanding at December 31, 2018 was as follows:

OWDA Loan 502	\$ 2,191,028
OPWC Loan CM10L	5,597
OPWC Loan CM22U	36,024
OPWC Loan CM13V	<u>78,633</u>
Total	<u>\$ 2,311,282</u>

The Ohio Water Department Authority (OWDA) and the Ohio Public Works Commission (OPWC) loans were issued to pay for improvements to sewer system and install the water system within the Village, and for the Liberty Street Reconstruction project. The OWDA loan is being repaid in semi-annual installments of \$62,275, including interest. OPWC Loan CM10L is being repaid in semi-annual installments of \$140. OPWC Loan CM22U was issued in 2018 to fund the installation of the Industrial Park Bridge paid from the Capital Projects Fund. OPWC Loan CM22U is being repaid in semi-annual installments of \$948. The OPWC Loan CM13V was issued in 2018 and is being repaid in semi-annual installments of \$1966.58. The OWDA and OPWC loans are collateralized by the Village's taxing authority. The balance of the OWDA loan #5202 includes \$10,463 of OWDA fees.

For all of the loans associated with the water and sewer projects the water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover debt service requirements.

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2018
(Continued)**

5. DEBT – (Continued)

Amortization of the above debt for which all principal has been disbursed at December 31, 2018, including interest, is scheduled as follows:

Year ending December 31:	OWDA Loan # 5202	OPWC CM10L	OPWC CM22U	OPWC CM13V
2019	\$ 62,275	\$ 140	\$ 948	\$ 3,933
2020	124,550	280	1,896	3,933
2021	124,550	280	1,896	3,933
2022	124,550	280	1,896	3,933
2023	124,550	280	1,896	3,933
2024-2028	622,751	1,399	9,480	19,665
2029-2033	622,751	1,399	9,480	19,665
2034-2038	622,751	1,399	8,532	19,638
2039	124,550	140	-	-
Total	<u>\$2,553,278</u>	<u>\$ 5,597</u>	<u>\$ 36,024</u>	<u>\$ 78,633</u>

6. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2018 OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% of participants’ gross salaries. The Village has paid all contributions required through December 31, 2018.

7. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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 members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

8. RISK MANAGEMENT

Workers’ Compensation

Workers’ Compensation coverage is provided by the State of Ohio. The Township 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 RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2018
(Continued)**

8. RISK MANAGEMENT – (Continued)

The Village has not reduced coverage from last year. Settlement amounts did not exceed insurance coverage for the past two years.

Risk Pool Membership

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

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

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.

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.

9. INCOME TAX

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income from residents earned outside the Village.

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

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2018
(Continued)**

10. TRANSFERS

Following is a summary of transfer in and out of all funds for 2018:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Enterprise Funds		
Water Operating	\$ 100,000	\$ -
Enterprise Improvement	-	<u>100,000</u>
Totals	<u>\$ 100,000</u>	<u>\$ 100,000</u>

By Village Ordinance the Utility Improvement fund receives a portion the Municipal Income Tax for the purpose of the installation, operation and maintenance of Village utilities.

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 Russia
Shelby County
232 West Main Street
P.O. Box 305
Russia, Ohio 45363-0361

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Village of Russia, Shelby County, Ohio (the Village) 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 May 4, 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. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village'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 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. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.


Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

However, we noted a certain other matter not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 4, 2020.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
May 4, 2020

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF RUSSIA

SHELBY 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 8/11/2020

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