



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF ASHVILLE
PICKAWAY COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Ashville
200 Station St.
Ashville, OH 43103

We have reviewed the *Independent Auditor's Report* of the Village of Ashville, Pickaway County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Ashville is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

September 30, 2021

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VILLAGE OF ASHVILLE
PICKAWAY COUNTY

For the Fiscal Years Ended December 31, 2020 and 2019
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INDEPENDENT AUDITOR'S REPORT

Village of Ashville
Pickaway County
200 Station Street
Ashville, Ohio 43103

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Ashville, Pickaway County, Ohio (the Village).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

As discussed in Note 15 to the 2020 financial statements, the financial impact of COVID-19 and the ensuing 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 June 28, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



BHM CPA Group, Inc.
Piketon, Ohio
June 28, 2021

**VILLAGE OF ASHVILLE
PICKAWAY COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 161,943	\$ -	\$ 161,943
Municipal Income Tax	1,358,704	-	1,358,704
Intergovernmental	65,604	576,343	641,947
Charges for Services	393,373	-	393,373
Fines, Licenses, and Permits	94,144	15,645	109,789
Earnings on Investments	3,860	646	4,506
Miscellaneous	32,830	-	32,830
	<u>2,110,458</u>	<u>592,634</u>	<u>2,703,092</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	803,363	845	804,208
Public Health Services	17,525	-	17,525
Leisure Time Activities	56,712	-	56,712
Community Environment	49,058	-	49,058
Basic Utility Services	408,718	-	408,718
Transportation	176,079	88,584	264,663
General Government	436,293	9,493	445,786
Capital Outlay	32,319	-	32,319
Debt Service:			
Redemption of Principal	12,939	7,762	20,701
Interest and Fiscal Charges	566	566	1,132
	<u>1,993,572</u>	<u>107,250</u>	<u>2,100,822</u>
Total Cash Disbursements			
Excess of Receipts Over/(Under) Disbursements	116,886	485,384	602,270
Other Financing Receipts (Disbursements):			
Other Financing Sources	66,218	-	66,218
	<u>66,218</u>	<u>-</u>	<u>66,218</u>
Total Other Financing Receipts (Disbursements)			
Net Change in Fund Cash Balances	183,104	485,384	668,488
Fund Cash Balances, January 1	382,190	254,901	637,091
Fund Cash Balances, December 31	<u>\$ 565,294</u>	<u>\$ 740,285</u>	<u>\$ 1,305,579</u>

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

**VILLAGE OF ASHVILLE
PICKAWAY COUNTY**

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

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$ 2,295,362
Fines, Licenses & Permits	10,140
	<hr/>
Total Operating Cash Receipts	2,305,502
Operating Cash Disbursements	
Personal services	216,636
Fringe benefits	123,405
Contractual services	386,971
Supplies and Materials	128,253
Other	11,215
	<hr/>
Total Operating Cash Disbursements	866,480
<i>Operating Income (Loss)</i>	1,439,022
Non-Operating Receipts (Disbursements)	
Intergovernmental	3,929
Special Assessments	476
Miscellaneous Receipts	6,498
Capital Outlay	(310,900)
Principal	(488,346)
Interest	(82,194)
	<hr/>
Total Non-Operating Receipts (Disbursements)	(870,537)
<i>Net Change in Fund Cash Balances</i>	568,485
Fund Cash Balances, January 1	1,259,247
	<hr/>
Fund Cash Balances, December 31	<u>\$ 1,827,732</u>

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

VILLAGE OF ASHVILLE
PICKAWAY COUNTY

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Fiduciary Fund Types</u>
	<u>Custodial</u>
	<u>Other</u>
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	37,543
<i>Total Additions</i>	<u>37,543</u>
Deductions	
Distributions to Other Funds (Primary Gov't)	13,585
Other Distributions	23,869
<i>Total Deductions</i>	<u>37,454</u>
<i>Net Change in Fund Balances</i>	89
<i>Fund Cash Balances, January 1</i>	<u>43,667</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$43,756</u></u>

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

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

Note 1 - Description of the Entity

The Village of Ashville, Pickaway County, Ohio, (the Village) 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 publicly-elected six-member Council. The Village provides water and sewer utilities, waste removal services, park operations (leisure time activities), and police services. The Village has contracted with Harrison Township for fire protection services.

The Village participates in three jointly governed organizations, and the Ohio Plan Risk Management, Inc. (OPRM). Notes 10 and 11 to the financial statements provide additional information for these entities. These organizations are:

North Gate Alliance Cooperative Economic Development Agreement (CEDA) – the Village Council approved an agreement with the Pickaway County Board of Commissioners, Harrison Township, and the Village of South Bloomfield to cooperate in creating and preserving jobs and employment opportunities, and to cooperate in including and fostering economic development. See Note 11 for further information.

Northern Pickaway County Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Harrison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 11 for further information.

Madison Township Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Madison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 11 for further information.

Ohio Plan Risk Management, Inc. (OPRM) - 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.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

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

Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

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. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Fund Accounting

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

- **General Fund** - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.
- **Special Revenue Funds** - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund – This fund receipts gasoline tax and motor vehicle tax money to construct, maintain and repair village streets.

Permissive Motor Vehicle License Tax Fund – This fund receipts permissive motor vehicle tax money to maintain and repair roads that run through the village.

Coronavirus-19 Relief Fund – This fund received state grant funds to be used for Covid-19 related expenses.

- **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 the cost of providing water services.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing sewer services.

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

Storm Water Fund - This fund receives charges for services from residents to cover the cost of providing sewer services.

- **Fiduciary Funds (Custodial Funds)** - Fiduciary funds include custodial funds, which are purely custodial in nature and used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for Mayor's Court activity and to hold and disburse monies related to development within the Village.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Budgetary Process

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

- **Appropriations**

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

- **Estimated Resources**

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

- **Encumbrances**

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

A summary of 2020 budgetary activity appears in Note 4.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as 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 Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Fund Balance

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

- **Non-spendable**

The Village classifies assets as non-spendable when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

- **Restricted**

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

- **Committed**

Council can commit amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

- **Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

- **Unassigned**

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

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

Note 3 - Equity in Pooled Deposits and Investments

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2020 was as follows:

Cash Management Pool:

Demand deposits	<u>\$3,177,067</u>
Total carrying amount of deposits held in the Pool:	\$3,177,067

Deposits: The Village's deposits are insured by the Federal Deposit Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Village.

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2020 was as follows:

Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 2,331,592	\$ 2,176,676	(\$ 154,916)
Special Revenue	570,720	592,634	21,914
Enterprise	2,007,927	2,316,405	308,478
Custodial	<u>107,282</u>	<u>37,543</u>	<u>(69,739)</u>
Total	\$ 5,017,521	\$ 5,123,258	\$ 105,737

Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$ 2,707,086	\$ 2,027,431	\$ 679,655
Special Revenue	776,935	285,717	491,218
Enterprise	2,898,091	1,747,920	1,150,171
Custodial	<u>128,002</u>	<u>37,454</u>	<u>90,548</u>
Total	\$ 6,510,114	\$ 4,098,522	\$ 2,411,592

Note 5 - 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. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

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

Note 6 - Local Income Tax

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. Income tax collections are processed by the Regional Income Tax Agency (RITA). RITA collects the income tax on-behalf of the Village and remits it to the Village. The tax payments received from RITA are recorded in the accompanying financial statements as municipal income tax receipts. Employers within the Village and employers of Village residents withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 - DEBT

Debt outstanding at December 31, 2020 was as follows:

<u>LENDER</u>	<u>PRINCIPAL</u>	<u>RATE</u>
OWDA Loan #7256	\$12,252,194	0.480%
OWDA Loan #7546 (Part A)	1,000,321	1.140%
OWDA Loan #7546 (Part B)	40,669	1.710%
Ohio Public Works Loan #CT82P	84,750	0.000%
Ohio Public Works Loan #CT73N	197,511	0.000%
Ohio Public Works Loan #CQ39T	466,559	0.000%
The Savings Bank – Sewage System	199,462	3.750%
The Savings Bank – Service Dept. Trucks	27,114	3.250%
The Savings Bank – Police Explorer	6,098	3.000%
The Savings Bank – WTP Truck	17,652	3.000%
Gordon Flesch	3,066	11.375%
TOTAL	\$14,295,396	

Above you will see that the Village has three loans outstanding with the Ohio Water Development Authority (OWDA) for the construction of the Waste Water Treatment Plant (WWTP), which will be repaid over 30 years. The next three loans are to the Ohio Public Works Commission (OPWC) with one for the construction of the WWTP and two for street and railroad crossing improvements. The loans will be repaid over 30, 20 and 20 years, respectively. The first Savings Bank loan is a low-rate 15-year loan obtained by the Village in 2011 to retire higher rate issued FmHA mortgage revenue bonds. The Village obtained two loans from The Savings Bank in 2018 – a 5-year loan for Service Dept. Trucks and a 3-year loan for a Police Cruiser. In 2019 the Village obtained a 3-year loan with The Savings Bank for the purchase of a truck Water Treatment Plant (WTP). In 2018 the Village leased a copier from Gordon Flesch to be repaid over five years.

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

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

Loan Description										
Year Ending December:	Sewage System	Service Dept. Trucks	Police Cruiser	OPWC #CQ39T	OPWC #CT82P	OPWC #CT73N	Gordon Flesch	OWDA #7546 (A&B)	OWDA #7256	Water Dept. Truck
2021	\$37,279	\$11,360	\$6,184	\$16,662	\$5,296	\$11,286	\$2,551	\$44,337	\$484,369	\$9,158
2022	\$37,279	\$11,360		\$16,662	\$5,296	\$11,286	\$2,551	\$44,337	\$484,369	\$9,158
2023	\$37,279	\$5,680		\$16,662	\$5,296	\$11,286		\$44,337	\$484,369	
2024	\$37,279			\$16,662	\$5,296	\$11,286		\$44,337	\$484,369	
2025	\$37,279			\$16,662	\$5,296	\$11,286		\$44,337	\$484,369	
2026-2030	\$37,279			\$83,310	\$26,480	\$56,430		\$221,686	\$2,421,845	
2031-2035				\$83,310	\$26,480	\$56,430		\$221,686	\$2,421,845	
2036-2040				\$83,310	\$5,296	\$28,215		\$221,686	\$2,421,845	
2041-2045				\$83,310				\$221,686	\$2,421,845	
2046-2050				\$49,986				\$133,011	\$1,453,107	
Total	\$223,674	\$28,400	\$6,184	\$466,536	\$84,736	\$197,505	\$5,102	\$1,241,440	\$13,562,332	\$18,316

Note 8 – Defined Benefit Pension Plans

The Village’s law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (PERS) of Ohio. OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans’ benefits, which include postretirement healthcare and survivor and disability.

Contribution rates are also prescribed by the Ohio Revised Code. From January 1, 2020 through December 31, 2020, OP&F participants contributed 12.25% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. OPERS members contributed 10% of gross wages. The Village contributed an amount equal to 14% of participants’ gross wages. The Village has paid all contributions required through December 31, 2020.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

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

Note 10 – Risk Management

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019 (latest information available).

Assets	\$ 15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

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

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Employment practices;
- Liability of public officials
- Liability of law enforcement; and
- Vehicles.

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

Note 11 - Joint Ventures

North Gate Alliance Co-operative Economic Development Agreement (CEDA) – The CEDA agreement addresses the issues of utility services, annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes the Village. The North Gate Alliance CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

Northern Pickaway County Joint Economic Development District (JEDD) – this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Harrison Township. The contracting parties have previously contributed an aggregate amount of \$18,468 to pay initial formation, administration and other costs related to the District. The Village did not contribute funds to the formation of the District, but agreed to the annexation moratorium described below. A Board of Directors has been established, which includes one member representing Columbus, one representing Harrison Township, and one member selected by the two members described above.

The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board’s duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District’s fiscal year is a calendar year, and the Board adopts an annual budget.

Overriding the JEDD agreement is an Annexation Moratorium Agreement (the “Agreement”) dated August 30, 2007 by and among the City of Columbus, Ohio (“Columbus”), the Village, the Village of South Bloomfield, Ohio (“South Bloomfield”), and Harrison Township. This agreement established a 50-year moratorium on annexation of an area of land bounded by Harrison Township line in the east, the Scioto River in the west and Duvall Road in the south by any of the municipalities that are a party to the agreement.

Madison Township Joint Economic Development District (JEDD) - this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Madison Township. A Board of Directors has been established, which includes one member representing Columbus, one representing Madison Township, and one member selected by the other two members described above. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board’s duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District’s fiscal year shall be the calendar year. The Board shall adopt an annual budget for the District.

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

Note 12 - Contingent Liabilities

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

Note 13 – Fund Balances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrance	\$33,859	\$178,467	\$212,326
<i>Total</i>	\$33,859	\$178,467	\$212,326

The fund balance of special revenue funds is either restricted or committed. These restricted amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 14 – Change in Accounting Principles

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) -- All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

Note 15 – COVID-19

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

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**VILLAGE OF ASHVILLE
PICKAWAY COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 150,526	\$ -	\$ 150,526
Municipal Income Tax	1,349,204	-	1,349,204
Intergovernmental	74,097	252,319	326,416
Charges for Services	389,001	-	389,001
Fines, Licenses, and Permits	117,996	21,311	139,307
Earnings on Investments	5,791	346	6,137
Miscellaneous	1,497	100	1,597
	<u>2,088,112</u>	<u>274,076</u>	<u>2,362,188</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	790,692	2,559	793,251
Public Health Services	12,518	-	12,518
Leisure Time Activities	56,787	1,060	57,847
Community Environment	49,217	-	49,217
Basic Utility Services	430,209	-	430,209
Transportation	413,507	152,625	566,132
General Government	531,554	-	531,554
Debt Service:			
Redemption of Principal	16,695	15,627	32,322
Interest and Fiscal Charges	959	775	1,734
	<u>2,302,138</u>	<u>172,646</u>	<u>2,474,784</u>
Total Cash Disbursements			
<i>Net Change in Fund Cash Balances</i>	(214,026)	101,430	(112,596)
Fund Cash Balances, January 1 <i>(restated - see Note 13)</i>	<u>596,216</u>	<u>153,471</u>	<u>749,687</u>
Fund Cash Balances, December 31			
Restricted	-	247,800	247,800
Committed	-	7,101	7,101
Unassigned	382,190	-	382,190
	<u>382,190</u>	<u>-</u>	<u>382,190</u>
Fund Cash Balances, December 31	<u>\$ 382,190</u>	<u>\$ 254,901</u>	<u>\$ 637,091</u>

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

**VILLAGE OF ASHVILLE
PICKAWAY COUNTY**

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

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>		<u>Custodial</u>		
Operating Cash Receipts:					
Charges for Services	\$ 1,488,452		\$ -		\$ 1,488,452
Fines, Licenses & Permits	1,960		50,257		52,217
Total Operating Cash Receipts	1,490,412		50,257		1,540,669
Operating Cash Disbursements					
Personal services	233,314		-		233,314
Fringe benefits	129,667		-		129,667
Contractual services	382,770		39,820		422,590
Supplies and Materials	124,299		-		124,299
Other	21,710		-		21,710
Total Operating Cash Disbursements	891,760		39,820		931,580
<i>Operating Income (Loss)</i>	598,652		10,437		609,089
Non-Operating Receipts (Disbursements)					
Special Assessments	6				6
Miscellaneous Receipts	255		-		255
Other Debt Proceeds	109,537		-		109,537
Capital Outlay	(348,592)		-		(348,592)
Principal	(523,237)		-		(523,237)
Interest	(102,646)		-		(102,646)
Other Non-operating Receipts	-		42,394		42,394
Other Non-operating Disbursements	-		(28,907)		(28,907)
Total Non-Operating Receipts (Disbursements)	(864,677)		13,487		(851,190)
<i>Net Change in Fund Cash Balances</i>	(266,025)		23,924		(242,101)
Fund Cash Balances, January 1 <i>(restated - see Note 13)</i>	1,525,272		19,743		1,545,015
Fund Cash Balances, December 31	\$ 1,259,247		\$ 43,667		\$ 1,302,914

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

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

Note 1 - Description of the Entity

The Village of Ashville, Pickaway County, Ohio, (the Village) 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 publicly-elected six-member Council. The Village provides water and sewer utilities, waste removal services, park operations (leisure time activities), and police services. The Village has contracted with Harrison Township for fire protection services.

The Village participates in three jointly governed organizations, and the Ohio Plan Risk Management, Inc. (OPRM). Notes 10 and 11 to the financial statements provide additional information for these entities. These organizations are:

North Gate Alliance Cooperative Economic Development Agreement (CEDA) – the Village Council approved an agreement with the Pickaway County Board of Commissioners, Harrison Township, and the Village of South Bloomfield to cooperate in creating and preserving jobs and employment opportunities, and to cooperate in including and fostering economic development. See Note 11 for further information.

Northern Pickaway County Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Harrison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 11 for further information.

Madison Township Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Madison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 11 for further information.

Ohio Plan Risk Management, Inc. (OPRM) - 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.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

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

Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

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. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Fund Accounting

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

- **General Fund** - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.
- **Special Revenue Funds** - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund – This fund receipts gasoline tax and motor vehicle tax money to construct, maintain and repair Village streets.

Permissive Motor Vehicle License Tax Fund – This fund receipts permissive motor vehicle tax money to maintain and repair roads that run through the village.

- **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 the cost of providing water services.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing sewer services.

Storm Water Fund - This fund receives charges for services from residents to cover the cost of providing sewer services.

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

- **Fiduciary Funds (Custodial Funds)** - Fiduciary funds include custodial funds, which are purely custodial in nature and used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for Mayor's Court activity and to hold and disburse monies related to development within the Village.

Budgetary Process

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

- **Appropriations**

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

- **Estimated Resources**

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

- **Encumbrances**

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

A summary of 2019 budgetary activity appears in Note 4.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

- **Non-spendable**

The Village classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

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

- **Restricted**

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

- **Committed**

Council can commit amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

- **Assigned**

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

- **Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance. The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Equity in Pooled Deposits and Investments

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2019 was as follows:

Demand deposits	<u>\$1,940,005</u>
Total deposits:	\$1,940,005

Deposits: The Village’s deposits are insured by the Federal Deposit Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Village.

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

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2019 was as follows:

Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 2,208,006	\$ 2,088,112	(\$ 119,894)
Special Revenue	238,618	274,076	35,458
Enterprise	1,751,588	1,600,210	(151,378)
Custodial	<u>100,000</u>	<u>92,651</u>	<u>(7,349)</u>
Total	\$ 4,298,212	\$ 4,055,049	(\$ 243,163)

Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$ 2,773,730	\$ 2,302,138	\$ 471,592
Special Revenue	373,418	172,646	200,772
Enterprise	3,235,768	1,866,235	1,369,533
Custodial	<u>100,000</u>	<u>68,727</u>	<u>31,273</u>
Total	\$ 6,482,916	\$ 4,409,746	\$ 2,073,170

Note 5 - 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. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Note 6 - Local Income Tax

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. Income tax collections are processed by the Regional Income Tax Agency (RITA). RITA collects the income tax on-behalf of the Village and remits it to the Village. The tax payments received from RITA are recorded in the accompanying financial statements as municipal income tax receipts. Employers within the Village and employers of Village residents withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 7 - DEBT

Debt outstanding at December 31, 2019 was as follows:

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

<u>LENDER</u>	<u>PRINCIPAL</u>	<u>RATE</u>
OWDA Loan #7256	\$12,650,399	0.480%
OWDA Loan #7546 (Part A)	1,031,131	1.140%
OWDA Loan #7546 (Part B)	41,759	1.710%
Ohio Public Works Loan #CT82P	87,398	0.000%
Ohio Public Works Loan #CT73N	203,155	0.000%
Ohio Public Works Loan #CQ39T	474,890	0.000%
The Savings Bank – Sewage System	228,438	3.750%
The Savings Bank – Service Dept. Trucks	37,341	3.250%
The Savings Bank – Police Explorer	18,014	3.000%
The Savings Bank – WTP Truck	26,088	3.000%
Gordon Flesch	5,830	11.375%
TOTAL	\$14,804,443	

Above you will see that the Village has three loans outstanding with the Ohio Water Development Authority (OWDA) for the construction of the Waste Water Treatment Plant (WWTP), which will be repaid over 30 years. The next three loans are to the Ohio Public Works Commission (OPWC) with one for the construction of the WWTP and two for street and railroad crossing improvements. The loans will be repaid over 30, 20 and 20 years, respectively. The first Savings Bank loan is a low-rate 15-year loan obtained by the Village in 2011 to retire higher rate issued FmHA mortgage revenue bonds. The Village obtained two loans from The Savings Bank in 2018 – a 5-year loan for Service Dept. Trucks and a 3-year loan for a Police Cruiser. In 2019 the Village obtained a 3-year loan with The Savings Bank for the purchase of a truck Water Treatment Plant (WTP). In 2018 the Village leased a copier from Gordon Flesch to be repaid over five years.

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

<u>YEAR</u>	<u>OWDA</u>	<u>OPWC</u>	<u>THE SAVINGS BANK</u>	<u>GORDON FLESCH</u>
2020	543,629	33,246	49,465	2,648
2021	543,629	33,246	41,038	2,648
2022	543,629	33,246	32,575	2,647
2023	543,629	33,246	15,371	2,647
2024	543,629	33,246	7,258	2,647
2025-2029	2,718,146	166,231	6,732	
2030-2034	2,718,145	166,231		
2035-2039	2,718,146	125,118		
2040-2044	2,718,149	83,314		
2045-2049	1,924,903	58,320		
TOTALS	15,515,634	765,444	152,439	13,237

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

Note 8 – Defined Benefit Pension Plans

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (PERS) of Ohio. OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability.

Contribution rates are also prescribed by the Ohio Revised Code. From January 1, 2019 through December 31, 2019, OP&F participants contributed 12.25% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. OPERS members contributed 10% of gross wages. The Village contributed an amount equal to 14% of participants' gross wages. The Village has paid all contributions required through December 31, 2019.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – Risk Management

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

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

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Employment practices;
- Liability of public officials
- Liability of law enforcement; and
- Vehicles.

Note 11 - Joint Ventures

North Gate Alliance Co-operative Economic Development Agreement (CEDA) – The CEDA agreement addresses the issues of utility services, annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes the Village. The North Gate Alliance CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

Northern Pickaway County Joint Economic Development District (JEDD) – this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Harrison Township. The contracting parties have previously contributed an aggregate amount of \$18,468 to pay initial formation, administration and other costs related to the District. The Village did not contribute funds to the formation of the District, but agreed to the annexation moratorium described below. A Board of Directors has been established, which includes one member representing Columbus, one representing Harrison Township, and one member selected by the two members described above.

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

The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board's duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District's fiscal year is a calendar year, and the Board adopts an annual budget.

Overriding the JEDD agreement is an Annexation Moratorium Agreement (the "Agreement") dated August 30, 2007 by and among the City of Columbus, Ohio ("Columbus"), the Village, the Village of South Bloomfield, Ohio ("South Bloomfield"), and Harrison Township. This agreement established a 50-year moratorium on annexation of an area of land bounded by Harrison Township line in the east, the Scioto River in the west and Duvall Road in the south by any of the municipalities that are a party to the agreement.

Madison Township Joint Economic Development District (JEDD) - this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Madison Township. A Board of Directors has been established, which includes one member representing Columbus, one representing Madison Township, and one member selected by the other two members described above. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board's duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District's fiscal year shall be the calendar year. The Board shall adopt an annual budget for the District.

Note 12 - Contingent Liabilities

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

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

Note 13 – Restatement of Beginning Balances

The beginning fund balances for the General Fund, Special Revenue funds and Enterprise funds were restated as follows:

	General Fund:	Special Revenue:	Enterprise:
2019 Beginning Fund Balances:	\$ 593,992	\$ 152,991	\$ 1,781,911
*Prior period checks voided:	2,224	480	337
Errors related to posting of audit adjustments:	0	0	(256,976)
2019 Restated Beginning Fund Balances:	\$ 596,216	\$ 153,471	\$ 1,525,272

*All adjustments in the Special Revenue funds were to the Street Construction Maint. & Repair Fund. Voided checks in the Enterprise funds were \$88, \$41, \$21 and \$187 in the Water Operating Fund, Waste Water Operating Fund, Storm Sewer Improvement Fund and Enterprise Deposit Fund, respectively.



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

Village of Ashville
Pickaway County
200 Station Street
Ashville, Ohio 43103

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Ashville, Pickaway County, (the Village) and have issued our report thereon dated June 28, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the 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) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. 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*.

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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
June 28, 2021

**Village of Ashville
Pickaway County
Schedule of Findings
December 31, 2020 and 2019**

1. SUMMARY OF AUDITOR'S RESULTS

FINDING NUMBER 2020-001

MATERIAL WEAKNESS

Sound financial reporting is the responsibility of the fiscal officer and Village Council and is essential to ensure information provided to the readers of the financial statements is complete and accurate.

Material and immaterial misstatements were identified during the course of the audit which have not been prevented or detected by the Village's internal controls over financial reporting. Misstatements were identified in the following areas:

- Intergovernmental
- Fines, Licenses & Permits
- Other Debt Proceeds
- Fines, Licenses and Permits for Distribution
- Other Non-operating Receipts
- Security of Persons and Property
- Leisure Time Activities
- Community Environment
- Basic Utility Services
- Transportation
- Capital Outlay
- Contractual Services
- Principal
- Interest
- Other Non-Operating Disbursements
- Distributions to Other Funds (Primary Gov't)
- Other Distributions
- Fund Balance
- Note disclosures required corrections and updates

To ensure the Village's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Ohio Village Officer's Handbook for guidance on the correct line item to post various receipts and expenditures of the Village.

Client Response: We did not receive a response from Officials to this finding.

**Village of Ashville
Pickaway County
Schedule of Prior Audit Findings
December 31, 2020 and 2019**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2018-001	Material Weakness – Financial Reporting	No	Reissued as 2020-001

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ASHVILLE

PICKAWAY 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 10/12/2021

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