

***VILLAGE OF CAREY***

**WYANDOT COUNTY, OHIO**

**REGULAR AUDIT**

**For the Years Ended December 31, 2021 and 2020**







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

Village Council  
Village of Carey  
127 North Vance Street  
Carey, Ohio 43316

We have reviewed the *Independent Auditor's Report* of the Village of Carey, Wyandot County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

**June 22, 2022**

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**VILLAGE OF CAREY  
 WYANDOT COUNTY  
 DECEMBER 31, 2021 AND 2020**

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 WYANDOT COUNTY  
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**INDEPENDENT AUDITOR'S REPORT**

Village of Carey  
Wyandot County  
127 North Vance Street  
Carey, Ohio 43316

To the Village Council:

***Report on the Audit of the Financial Statements***

***Opinions***

We have audited the cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carey, Wyandot County, Ohio (the Village), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2021, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General for the year then ended in accordance with the cash-basis of accounting described in Note 2.

***Basis for Opinions***

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

***Emphasis of Matter - Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Emphasis of Matter***

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

**Other Information**

We applied no procedures to management's discussion & analysis. Accordingly, we express no opinion or any other assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Charles E. Harris & Associates, Inc.**  
May 6, 2022

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*

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This discussion and analysis of the Village of Carey's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2021, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

***Financial Highlights***

Key highlights for 2021 are as follows:

- In total, net position decreased \$751,619. Net position of governmental activities decreased \$38,940, which represents a 2.72 percent increase from 2020. Net position of business-type activities decreased \$712,679 or a 7.07 percent decrease from 2020.
- The Village's general receipts accounted for \$7,115,790 or 38.09 percent of all receipts. Program specific receipts in the form of charges of services and sales and operating and capital grants, contributions and interest accounted for \$11,564,804 or 61.91 percent of total receipts of \$18,680,594.
- Total program disbursements were \$19,432,213; \$2,815,948 in governmental activities and \$16,616,265 in business-type activities.
- Outstanding debt decreased from \$17,704,302 to \$16,955,136.

***Using the Basic Financial Statements***

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

**Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns. In the case of the Village of Carey, the General fund is the most significant governmental fund. The Sewer, Electric, and Storm Water Utility funds are the most significant enterprise funds.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related receipts (such as accounts receivable) and certain liabilities and their related disbursements (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

***Reporting the Village of Carey as a Whole***

*Statement of Net Position and the Statement of Activities*

*The Statement of Net Position and the Statement of Activities* reflect how the Village did financially during 2021, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local receipt sources such as property and income taxes.

In the statement of net position and the statement of activities, we divide the Village into two types of activities:

Governmental Activities - The Village's basic services are reported here, including general government, security of persons and property, community environment, leisure time activities and transportation. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the disbursements of goods or services provided. The Village's water, sewer, electric, storm water, utility deposit, utility sinking, and recycling funds are reported as business-type activities.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
(Continued)

***Reporting the Village of Carey's Most Significant Funds***

*Fund Financial Statements*

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and proprietary.

Governmental Funds – Many of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental fund is the General fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The enterprise fund has three major funds, the Sewer, Electric, and Storm Water Utility funds.

***The Village of Carey as a Whole***

Table 1 provides a summary of the Village's net position for 2021 compared to 2020 on a cash basis:

	Governmental Activities			Business-Type Activities		
	2021	2020	Change	2021	2020	Change
<b><i>Assets</i></b>						
Equity in Pooled Cash and Cash Equivalents	\$1,392,987	\$1,431,927	(\$38,940)	\$9,364,647	\$10,077,326	(\$712,679)
<b><i>Net Position:</i></b>						
Restricted	509,984	407,434	102,550	0	0	0
Unrestricted	883,003	1,024,493	(141,490)	9,364,647	10,077,326	(712,679)
<b><i>Total Net Position</i></b>	<b>\$1,392,987</b>	<b>\$1,431,927</b>	<b>(\$38,940)</b>	<b>\$9,364,647</b>	<b>\$10,077,326</b>	<b>(\$712,679)</b>

In 2021, total equity pooled in cash and cash equivalents decreased. Refer to additional discussion of factors causing this decrease on page 7.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
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Table 2 reflects the changes in net position on a cash basis in 2021 and 2020 for governmental activities, business-type activities and total primary government.

**Table 2**  
**Changes in Net Position**

	Governmental Activities			Business-Type Activities		
	2021	2020	Change	2021	2020	Change
<b>Receipts</b>						
<i>Program Receipts:</i>						
Charges for Services	\$87,629	\$92,778	(\$5,149)	\$10,762,367	\$10,366,467	\$395,900
Operating Grants and Contributions	474,886	698,128	(223,242)	239,922	12,212	227,710
<i>Total Program Receipts</i>	<u>\$562,515</u>	<u>\$790,906</u>	<u>(\$228,391)</u>	<u>\$11,002,289</u>	<u>\$10,378,679</u>	<u>\$623,610</u>
<i>General Receipts:</i>						
Property Taxes	101,162	99,212	1,950	0	0	0
Income Taxes	1,543,366	1,459,958	83,408	771,683	729,979	41,704
Other Local Taxes	344,272	340,585	3,687	0	0	0
Grants and Entitlements	72,342	91,090	(18,748)	0	0	0
Sale of Assets	36,016	26,997	9,019	0	0	0
Proceeds from Loans	0	0	0	105,966	9,220,745	(9,114,779)
Proceeds of Notes	0	0	0	3,925,000	4,275,000	(350,000)
Premium on Notes	0	0	0	37,562	38,646	(1,084)
Investment Earnings	72,113	101,265	(29,152)	0	0	0
Miscellaneous	45,222	135,738	(90,516)	61,086	74,197	(13,111)
<i>Total General Receipts</i>	<u>2,214,493</u>	<u>2,254,845</u>	<u>(40,352)</u>	<u>4,901,297</u>	<u>14,338,567</u>	<u>(9,437,270)</u>
<i>Total Receipts</i>	<u>2,777,008</u>	<u>3,045,751</u>	<u>(268,743)</u>	<u>15,903,586</u>	<u>24,717,246</u>	<u>(8,813,660)</u>
<b>Disbursements</b>						
General Government	506,601	502,087	4,514	0	0	0
Security of Persons and Property	1,370,049	1,463,555	(93,506)	0	0	0
Public Health	30,880	18,655	12,225	0	0	0
Leisure Time Activities	121,557	112,113	9,444	0	0	0
Community and Econ. Dev.	5,143	5,195	(52)	0	0	0
Transportation	259,968	261,720	(1,752)	0	0	0
Capital Outlay	368,524	436,538	(68,014)	0	0	0
Principal Retirement	135,068	139,495	(4,427)	0	0	0
Interest and Fiscal Charges	18,158	15,795	2,363	0	0	0
<i>Enterprise Operations:</i>						
Electric	0	0	0	13,478,323	13,401,484	76,839
Recycling	0	0	0	41,414	27,053	14,361
Sewer	0	0	0	1,625,709	10,294,737	(8,669,028)
Storm Water Utility	0	0	0	590,467	129,271	461,196
Utility Deposit	0	0	0	30,812	31,077	(265)
Water	0	0	0	767,662	870,495	(102,833)
Utility Bond Debt Service	0	0	0	81,878	83,874	(1,996)
<i>Total Disbursements</i>	<u>2,815,948</u>	<u>2,955,153</u>	<u>(139,205)</u>	<u>16,616,265</u>	<u>24,837,991</u>	<u>(8,221,726)</u>
<i>Change in Net Position</i>	<u>(38,940)</u>	<u>90,598</u>	<u>(129,538)</u>	<u>(712,679)</u>	<u>(120,745)</u>	<u>(591,934)</u>
Net Position at Beginning of Year	1,431,927	1,341,329	90,598	10,077,326	10,198,071	(120,745)
Net Position at End of Year	<u>\$1,392,987</u>	<u>\$1,431,927</u>	<u>(\$38,940)</u>	<u>\$9,364,647</u>	<u>\$10,077,326</u>	<u>(\$712,679)</u>

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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**Governmental Activities**

Program receipts represent only 20.25 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees and charges to nearby governments for police services provided under contract.

General receipts represent 79.75 percent of the Village's total receipts, and of this amount, 89.81 percent are taxes. State and federal grants and entitlements make up 3.27 percent of the Village's general receipts. Other receipts, such as investments earnings and bonds issued make up 6.92 percent of general receipts. In 2021, operating grants decreased primarily due to a reduction in the receipts for Coronavirus relief.

Disbursements for general government represent the costs of running the Village and the support services provided for the other government activities. These include the costs of the Mayor, Council, Village Administrator, Fiscal Officer and income tax departments, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, the Village tries to limit these costs to 7 percent of general fund unrestricted receipts.

Security of persons and property are the costs of police and fire protection and represent the largest disbursement of government activities, representing 49 percent of the total disbursements. Capital outlay disbursements represent 13 percent of total distributions, primarily due to ongoing projects within the Village.

**Business-type Activities**

Business-type activities include water, sewer, electric, storm water, utility deposit, utility bond debt service, and recycling operations. The receipts are generated primarily from charges for services. In 2021, operating grants increased primarily due to a grant received in 2021 from the Ohio Public Works Commission (OPWC) for a storm water utility improvement. The decrease in general receipts is due to proceeds received from the Ohio Water Development Authority (OWDA) disbursements for the water pollution control project.

The total disbursements for the utilities decreased in 2021. This decrease is primarily due to disbursements for the water pollution control project paid during the prior year. The Village had a decrease in net position for the business-type activities.

***The Village's Funds***

The fund balance of the general fund decreased for year-end 2021.

Net position in the sewer fund decreased, primarily due to disbursements for the water pollution control project.

Net position in the electric fund decreased as overall disbursements outpaced receipts.

Net position in the storm water utility fund decreased as overall disbursements outpaced receipts.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
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**General Fund Budgeting Highlights**

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of 2021, the Village amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the Village Fiscal Officer. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

**Original Budget Compared to Final Budget** During the course of fiscal year 2021, there was a need for the Village to increase its original estimated revenues for income taxes. There was a need to increase budgeted disbursements for capital outlay. These increases were not significant. The Village also decreased budgeted general government and security of persons and property expense. The decrease was not significant.

**Final Budget Compared to Actual Results** The most significant difference in estimated receipts and actual receipts was for income taxes as a result in increased unemployment due to the effects of the COVID-19 pandemic. The most significant differences between estimated disbursements and actual disbursements were for general government and security of persons and property. These disbursements were lower than the final budgeted disbursements as cost savings were recognized during the year.

**Debt Administration**

**Debt**

Table 3 summarizes outstanding debt at December 31, 2021 and 2020.

**Table 3**  
**Outstanding Debt, at December 31**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$477,800	\$564,700	\$0	\$0	\$477,800	\$564,700
Revenue Bonds	0	0	222,000	296,000	222,000	296,000
OPWC Loans	0	0	25,998	34,666	25,998	34,666
OWDA Loans	0	0	11,648,945	11,665,332	11,648,945	11,665,332
AMI Loan	0	0	608,258	760,086	608,258	760,086
AMP Note	0	0	3,925,000	4,275,000	3,925,000	4,275,000
Lease Purchase	47,135	95,303	0	13,215	47,135	108,518
<b>Total</b>	<b>\$524,935</b>	<b>\$660,003</b>	<b>\$16,430,201</b>	<b>\$17,044,299</b>	<b>\$16,955,136</b>	<b>\$17,704,302</b>

During 2021, debt increased primarily due to principal payments made throughout the year. Additional information concerning the Village's debt can be found in Note 10 to the basic financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
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***Current Issues***

2021 was another year of completion for multiple utility projects, as well as acting on the ongoing local commitment to new infrastructure projects and improvements. Having completed the CSP Substation & 69kV pole line, we turned our attention to a related project, for which we are not the owner, but rather at the mercy of American Electric Power (AEP). Back in 1995, the Village installed a second feed to the AEP grid, from the southwest. Over time, that feed has been outgrown and the existing small conductor sizes can actually perform as fuses, tripping protection equipment, burning out and dropping service. Therefore, in the interim, AEP opted to implement a switching scheme temporarily, making the northeast feeder as the only path, thereby eliminating the redundancy we previously had. To regain that backup for the Village we have worked with and lobbied AEP for, a permanent solution. They have indeed responded as part of a major improvement plan to build a “new” feed from the west. That will require our installing new switching and metering equipment at the juncture of our new pole line and their high voltage equipment. The estimated costs started about \$430,000 but through negotiations have been reduced to about \$260,000. This expense will not be paid out of pocket by the Village of Carey but rather rolled into our Interconnection and Local Delivery Service Agreement (ILDSA).

We are continuing to execute the next phases of our planned system improvements in the form of additional voltage conversion work (started back in 2018) to multiple non-industrial locations on the southeast, and the new subdivision primary voltage for homes and businesses in the southwest portions of the Village. A minimum of three more planned conversion phases remain to be completed, and several larger projects required due to aging (1946 & 1957) substation equipment, there is no shortage of work for our personnel to perform In-House. The engineering is also ongoing behind the scenes for the required switchgear and breaker reliability upgrades which have been looming. Funds availability, however will determine the actual start of those projects. We do not want to exceed any covenant requirements for cash on hand.

The Village has completed the selection of the “lowest and best” proposal from the published RFP respondents for the Automated Meter Information (AMI) system (for both water and electric meters). Software integration has been performed and a majority of the physical hardware (radios, collectors, repeaters, meters, etc) has been installed as of December 2019. Financing has been through ACH draws against the secured \$950,000 bank note previously identified and approved by council for work performed in 2019 and has been completed.

The OEPA required Asset Management program for Water continues to gather information. Both Geologic Information System (aerials) / Global Positioning System (satellite) hardware and the associated software to contain the information gathered by Public Works personnel is in place and functioning. Specific locations are being systematically entered as time allows, OR when a physical correction is identified during maintenance or repair events. The ‘tablets’ are being routinely integrated by all departments not just the initial driver, which was the Public Water Supply. We have also contracted with mPower to help assist in putting together all of our electrical, water, storm water, sanitary lines into the GIS system to help us track our assets.

The bids were released and the “Lowest & Best” was determined to be Jones & Henry for construction oversight, plant design and owner representation when issues arise, or clarification is needed. The Peterson Construction Company was selected as Lowest & Best with a bid of \$10,813,000 for the project. Construction Phase of the wastewater treatment plant build (being financed through OWDA / DEFA) is nearly 35 percent complete. Further, additional work on the WWTP site includes cleaning and disposal of the bio-solids contained in the polishing ponds, estimated at another \$700,000 but proposed as an option, which we accepted. This work has been completed as of 2021.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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The Arrowhead Commerce Park continues to grow and prosper. The initial anchor tenant for Arrowhead, HANON, LLC, has nearly doubled the size of their foot print and is already eyeing a third addition in the near future. They continue to steadily increase their workforce, which adds to the income tax rolls. All current tax incentives have been functioning as anticipated.

The major equipment purchases during 2021 were two new police cruisers. We purchased two Ford Explorers.

General upgrading of IT equipment and software, such as laptops, tablets, several replacement monitors and printers in various departments, antivirus, and malware protection for all administrative, wastewater, public works, utility billing and electric computers is an ongoing process. We have put all of our computers on a replacement rotation of around 5-6 years.

No problems were experienced with the Fire Department operations during 2021. Crawford Township received their annual credit for \$17,500 and contributed \$6,500 for fire protection services and current operations per the negotiated fire contract in force. The Fire Department has upgraded their radio equipment to the Marx radio system.

The two (2) megawatt solar array installed on the Village owned well field property and operated by Solar Planet Power, continues to operate well and produced approximately 2.3 megawatt-hours during 2020. The Village of Carey also continues to keep a diverse portfolio when it comes to energy by participating in the AMP Hydro's and APM's Natural Gas plant.

Electric Fund revenues remain stable for 2021, but may still need some upward adjustment in the foreseeable future to meet ever increasing O&M costs. We have started line construction and storm restoration project on W. South St and West Street. This includes replacing old line with new and replacement of any old pole structures. We are also looking to move forward with a new substation on Ogg St for 2021 and over the 2022 year.

On the water side we were able to replace two lines in 2021. The first on E. South Street and the second was in an Fredritz alleyway. The one in the alleyway was to upsize the line in preparation for 2021 to provide better fire flow for the buildings downtown. We also upsized a storm line on North Muncie St.

Also, there was \$20,000 in utility patches.

We also completed the second phase of safe routes to school by adding a walking path from S. Patterson down Memorial Park Boulevard to the school.

***Contacting the Village's Financial Management***

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Laura Ewing, Fiscal Officer, Village of Carey, 127 N. Vance Street, Carey, Ohio 43316-1056, telephone 419-396-7681 or email [fiscalofficer@careyohio.org](mailto:fiscalofficer@careyohio.org).

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**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Net Position - Cash Basis*  
*December 31, 2021*

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Equity in Pooled Cash & Cash Equivalents	<u>\$1,392,987</u>	<u>\$9,364,647</u>	<u>\$10,757,634</u>
<b>Net Position:</b>			
<i>Restricted for:</i>			
Debt Service	270	0	270
Public Health	109,714	0	109,714
Street Maintenance	289,413	0	289,413
Other Purposes	110,587	0	110,587
Unrestricted	<u>883,003</u>	<u>9,364,647</u>	<u>10,247,650</u>
Total Net Position	<u>\$1,392,987</u>	<u>\$9,364,647</u>	<u>\$10,757,634</u>

See accompanying notes to the financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2021*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		Total
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>						
General Government	\$506,601	\$11,818	\$0	(\$494,783)	\$0	(\$494,783)
Security of Persons and Property	1,370,049	19,105	186,143	(1,164,801)	0	(1,164,801)
Public Health	30,880	27,209	0	(3,671)	0	(3,671)
Leisure Time Activities	121,557	29,497	0	(92,060)	0	(92,060)
Community and Economic Development	5,143	0	0	(5,143)	0	(5,143)
Transportation	259,968	0	288,743	28,775	0	28,775
Capital Outlay	368,524	0	0	(368,524)	0	(368,524)
<i>Debt Service:</i>						
Principal Retirement	135,068	0	0	(135,068)	0	(135,068)
Interest and Fiscal Charges	18,158	0	0	(18,158)	0	(18,158)
<i>Total Governmental Activities</i>	<u>2,815,948</u>	<u>87,629</u>	<u>474,886</u>	<u>(2,253,433)</u>	<u>0</u>	<u>(2,253,433)</u>
<b>Business-Type Activities:</b>						
Electric	13,478,323	9,332,066	0	0	(4,146,257)	(4,146,257)
Recycling	41,414	43,975	11,586	0	14,147	14,147
Sewer	1,625,709	450,873	0	0	(1,174,836)	(1,174,836)
Storm Water Utility	590,467	204,675	228,336	0	(157,456)	(157,456)
Utility Deposit	30,812	30,315	0	0	(497)	(497)
Water	767,662	700,463	0	0	(67,199)	(67,199)
Utility Bond Debt Service	81,878	0	0	0	(81,878)	(81,878)
<i>Total Business-Type Activities</i>	<u>16,616,265</u>	<u>10,762,367</u>	<u>239,922</u>	<u>0</u>	<u>(5,613,976)</u>	<u>(5,613,976)</u>
<i>Totals</i>	<u>\$19,432,213</u>	<u>\$10,849,996</u>	<u>\$714,808</u>	<u>(2,253,433)</u>	<u>(5,613,976)</u>	<u>(7,867,409)</u>
<b>General Receipts:</b>						
<i>Property Taxes levied for:</i>						
General Purposes				101,162	0	101,162
<i>Income Taxes Levied for:</i>						
General Purposes				1,234,692	0	1,234,692
Parks and Recreation				154,337	0	154,337
Capital Improvements				154,337	0	154,337
Debt Retirement				0	771,683	771,683
Other Local Taxes				344,272	0	344,272
<i>Grants and Entitlements not</i>						
Restricted to Specific Programs				72,342	0	72,342
Sale of Assets				36,016	0	36,016
Proceeds from Loans				0	105,966	105,966
Proceeds of Notes				0	3,925,000	3,925,000
Premium on Notes				0	37,562	37,562
Investment Earnings				72,113	0	72,113
Miscellaneous				45,222	61,086	106,308
<i>Total General Receipts</i>				<u>2,214,493</u>	<u>4,901,297</u>	<u>7,115,790</u>
<i>Change in Net Position</i>				<u>(38,940)</u>	<u>(712,679)</u>	<u>(751,619)</u>
Net Position at Beginning of Year				<u>1,431,927</u>	<u>10,077,326</u>	<u>11,509,253</u>
Net Position at End of Year				<u>\$1,392,987</u>	<u>\$9,364,647</u>	<u>\$10,757,634</u>

See accompanying notes to the financial statements.

**VILLAGE OF CAREY**  
**WYANDOT, COUNTY, OHIO**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2021*

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$359,502	\$1,033,485	\$1,392,987
<b>Fund Balances:</b>			
Restricted	0	509,984	509,984
Committed	0	523,501	523,501
Assigned	314,531	0	314,531
Unassigned	44,971	0	44,971
<i>Total Fund Balances</i>	<u>\$359,502</u>	<u>\$1,033,485</u>	<u>\$1,392,987</u>

See accompanying notes to the financial statements.

**VILLAGE OF CAREY  
WYANDOT COUNTY, OHIO**

*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2021*

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Receipts</b>			
Property Taxes	\$101,162	\$0	\$101,162
Income Taxes	1,234,692	308,674	1,543,366
Other Local Taxes	344,272	0	344,272
Special Assessments	1,277	0	1,277
Charges for Services	18,200	42,251	60,451
Licenses and Permits	3,720	0	3,720
Fines and Forfeitures	3,485	500	3,985
Intergovernmental	72,342	474,886	547,228
Interest	68,399	3,714	72,113
Rent	2,659	3,450	6,109
Contributions and Donations	12,057	30	12,087
Other	5,986	39,236	45,222
<i>Total Receipts</i>	<u>1,868,251</u>	<u>872,741</u>	<u>2,740,992</u>
<b>Disbursements:</b>			
<i>Current:</i>			
General Government	497,600	9,001	506,601
Security of Persons and Property	1,262,066	107,983	1,370,049
Public Health	5,659	25,221	30,880
Leisure Time Services	0	121,557	121,557
Community Development	5,143	0	5,143
Transportation	35,000	224,968	259,968
Capital Outlay	144,133	224,391	368,524
<i>Debt Service:</i>			
Principal Retirement	0	135,068	135,068
Interest and Fiscal Charges	0	18,158	18,158
<i>Total Disbursements</i>	<u>1,949,601</u>	<u>866,347</u>	<u>2,815,948</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(81,350)</u>	<u>6,394</u>	<u>(74,956)</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Capital Assets	0	36,016	36,016
Transfers In	0	100,066	100,066
Transfers Out	0	(100,066)	(100,066)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>36,016</u>	<u>36,016</u>
<i>Net Change in Fund Balances</i>	(81,350)	42,410	(38,940)
<i>Fund Balances at Beginning of Year</i>	<u>440,852</u>	<u>991,075</u>	<u>1,431,927</u>
<i>Fund Balances at End of Year</i>	<u><u>\$359,502</u></u>	<u><u>\$1,033,485</u></u>	<u><u>\$1,392,987</u></u>

See accompanying notes to the financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Receipts, Disbursements, and*  
*Changes in Fund Balances - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Year Ended December 31, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property Taxes	\$91,292	\$91,292	\$101,162	\$9,870
Income Taxes	1,190,473	1,331,395	1,234,692	(96,703)
Other Local Taxes	302,671	302,671	344,272	41,601
Special Assessments	5,712	5,712	1,277	(4,435)
Charges for Services	20,012	19,962	18,200	(1,762)
Licenses and Permits	3,599	3,599	3,720	121
Fines and Forfeitures	5,149	4,218	3,485	(733)
Intergovernmental	76,633	76,633	72,342	(4,291)
Interest	139,731	139,731	68,399	(71,332)
Rent	1,632	1,632	2,659	1,027
Contributions and Donations	0	0	12,057	12,057
Other	9,000	9,981	5,986	(3,995)
<i>Total Receipts</i>	<u>1,845,904</u>	<u>1,986,826</u>	<u>1,868,251</u>	<u>(118,575)</u>
<b>Disbursements</b>				
Current:				
General Government	645,810	599,269	502,840	96,429
Security of Persons and Property	1,556,339	1,452,176	1,298,714	153,462
Public Health	6,328	6,328	5,659	669
Community and Economic Development	5,225	5,225	5,143	82
Basic Utility Service	773	0	0	0
Transportation	60,000	60,000	35,000	25,000
Capital Outlay	0	179,053	146,662	32,391
<i>Total Disbursements</i>	<u>2,274,475</u>	<u>2,302,051</u>	<u>1,994,018</u>	<u>308,033</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(428,571)	(315,225)	(125,767)	189,458
<i>Fund Balances at Beginning of Year</i>	371,213	371,213	371,213	0
Prior Year Encumbrances Appropriated	28,499	28,499	28,499	0
<i>Fund Balances at End of Year</i>	<u>(\$28,859)</u>	<u>\$84,487</u>	<u>\$273,945</u>	<u>\$189,458</u>

See accompanying notes to the financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*December 31, 2021*

	Business-Type Activities				Totals
	Sewer	Electric	Storm Water Utility	Other Enterprise Funds	
<b>Assets</b>					
Equity in Pooled Cash & Cash Equivalents	\$2,979,175	\$4,277,848	\$992,349	\$1,115,275	\$9,364,647
<b>Net Position</b>					
Unrestricted	2,979,175	4,277,848	992,349	1,115,275	9,364,647
<i>Total Net Position</i>	<u>\$2,979,175</u>	<u>\$4,277,848</u>	<u>\$992,349</u>	<u>\$1,115,275</u>	<u>\$9,364,647</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY, OHIO**  
*Statement of Receipts, Disbursements and*  
*Changes in Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*For the Year Ended December 31, 2021*

	Business-Type Activities				Totals
	Sewer	Electric	Storm Water Utility	Other Enterprise Funds	
<b>Operating Receipts</b>					
Charges for Services	\$450,873	\$9,332,066	\$204,675	\$774,753	\$10,762,367
Other	0	54,712	0	6,374	61,086
<i>Total Operating Receipts</i>	<u>450,873</u>	<u>9,386,778</u>	<u>204,675</u>	<u>781,127</u>	<u>10,823,453</u>
<b>Operating Disbursements</b>					
Personal Services	218,066	371,915	46,270	229,801	866,052
Fringe Benefits	115,004	183,612	28,857	115,492	442,965
Contractual Services	201,638	8,025,133	13,689	136,461	8,376,921
Materials and Supplies	45,888	48,514	3,870	41,679	139,951
Capital Outlay	914,440	270,419	486,849	311,455	1,983,163
Other	0	18,230	0	0	18,230
<i>Total Operating Disbursements</i>	<u>1,495,036</u>	<u>8,917,823</u>	<u>579,535</u>	<u>834,888</u>	<u>11,827,282</u>
<i>Operating Income (Loss)</i>	<u>(1,044,163)</u>	<u>468,955</u>	<u>(374,860)</u>	<u>(53,761)</u>	<u>(1,003,829)</u>
<b>Non-Operating Receipts (Disbursements)</b>					
Income Taxes	771,683	0	0	0	771,683
Intergovernmental	0	0	228,336	11,586	239,922
Proceeds from Loans	105,966	0	0	0	105,966
Proceeds of Notes	0	3,925,000	0	0	3,925,000
Premium on Notes Issued	0	37,562	0	0	37,562
Principal Retirement	(130,043)	(4,426,829)	(9,788)	(78,405)	(4,645,065)
Interest and Fiscal Charges	(630)	(133,671)	(1,144)	(8,473)	(143,918)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>746,976</u>	<u>(597,938)</u>	<u>217,404</u>	<u>(75,292)</u>	<u>291,150</u>
<i>Income/(Loss) Before Transfers</i>	<u>(297,187)</u>	<u>(128,983)</u>	<u>(157,456)</u>	<u>(129,053)</u>	<u>(712,679)</u>
Transfers - In	0	0	0	81,878	81,878
Transfers - Out	(24,563)	(24,563)	(8,189)	(24,563)	(81,878)
<i>Change in Net Position</i>	<u>(321,750)</u>	<u>(153,546)</u>	<u>(165,645)</u>	<u>(71,738)</u>	<u>(712,679)</u>
Net Position at Beginning of Year	<u>3,300,925</u>	<u>4,431,394</u>	<u>1,157,994</u>	<u>1,187,013</u>	<u>10,077,326</u>
Net Position at End of Year	<u>\$2,979,175</u>	<u>\$4,277,848</u>	<u>\$992,349</u>	<u>\$1,115,275</u>	<u>\$9,364,647</u>

See accompanying notes to the financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Village of Carey, Wyandot 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 six-member Council elected at large for four-year terms. The Mayor is elected to a four-year term and votes only to break a tie.

The reporting entity is comprised of the primary government and other organizations that were included to ensure that the financial statements are not misleading.

***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services; water, sewer and electric utilities, maintenance of Village roads and bridges, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department and contracts with Wyandot County for emergency medical services. The Village also manages a public cemetery.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village approves the budget, the levying of taxes or the issuance of debt. The Village does not have any component units.

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

***Public Entity Risk Pools***

The Village participates in public entity risk pools. Note 7 to the financial statements provides additional information for these entities.

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C., these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

***A. Basis of Presentation***

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

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
(Continued)

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***Government-Wide Financial Statements***

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

The statement of net position presents the cash and investment balances of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

***Fund Financial Statements***

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

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

***B. Fund Accounting***

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and proprietary.

***Governmental Funds***

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following is the Village's major governmental fund:

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
(Continued)

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**General Fund** The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

**Proprietary Funds**

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

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

**Sewer Fund** The Sewer Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Electric Fund** The Electric Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Storm Water Utility Fund** The Storm Water Utility Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

The other enterprise funds of the Village account for the operations of the water, recycling, storm water and utility deposits.

**C. Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate. The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

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

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

***E. Cash and Investments***

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

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

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

During 2021, the Village invested in certificates of deposits.

Interest earnings are allocated to Village funds according to State statutes, grant requirements or debt related restrictions. Interest receipts credited to the General Fund during 2021 amounted to \$68,399, which includes \$65,882 assigned from other Village funds.

***F. Inventory and Prepaid Items***

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

***G. Capital Assets***

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

***H. Interfund Receivables/Payables***

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

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***I. Accumulated Leave***

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

***J. Pensions/Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

***K. Long-Term Obligations***

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

***L. Net Position***

Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include primarily resources restricted for street maintenance and repairs.

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

***M. Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

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

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute. The Village has by resolution authorized the Fiscal Officer to assign fund balance. The Village may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated receipt and appropriations in the subsequent year's appropriated budget.

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

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

#### ***N. Interfund Transactions***

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

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**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis) and that the Village’s payroll clearing fund is partially combined into the general fund to comply with GASB 54 classifications. The encumbrances outstanding at year end (budgetary basis) amounted to \$23,026 for the general fund.

**Note 4 – Deposits and Investments**

Monies held by the Village are classified by State statute into three categories.

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

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

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

Protection of the Village’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).
8. Under limited circumstances, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

***Deposits***

At year-end, \$2,077,126 of the Village's bank balance of \$6,306,592 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the Village's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Village to a successful claim by the FDIC.

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village will not be able to recover deposits or collateral securities that are in possession of an outside party.

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The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Note 5 – Income Taxes**

The Village levies a 1.5 percent income tax. By Council action on January 18, 2016, the first one percent of income tax receipt is divided as follows: 80 percent to the General Fund, 10 percent to the Parks Fund and 10 percent to the Capital Improvement Fund. The remaining one-half percent is placed in the Sewer Debt Retirement Fund, by Council action. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, if at least one percent tax is paid to another municipality on wages earned, that credit can be applied to the Village of Carey tax liability, with the other half percent payable to the Village of Carey. Ultimately, the total income tax payable must equal 1.5 percent of earned income. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2021 for real and public utility property taxes represents collections of the 2020 taxes.

2021 real property taxes were levied after October 1, 2021 on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

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The full tax rate for all Village operations for the year ended December 31, 2021, was \$1.90 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	\$56,961,650
Public Utility Personal Property	774,940
Total Assessed Value	\$57,736,590

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

**Note 7 – Risk Management**

**Public Entities Pool of Ohio**

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

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment Breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31 (most recent information available):

	2020
Cash and Investments	\$40,318,971
Actuarial Liabilities	14,111,510

**Buckeye Ohio Risk Management Association**

The Buckeye Ohio Risk Management Association Pool, Inc (BORMA) Benefits Pool (the Pool) is for employee benefits and includes life insurance, accidental death and dismemberment insurance, health insurance, and prescription drug insurance. Plan options and levels of coverage are established independently by each Pool member for its employees. Premiums paid into the Pool by each member are based on the level of coverage within each respective plan. The Pool includes sixteen public entities in the State of Ohio. Member contributions are calculated annually to produce a sufficient sum of money within the Pool to fund administrative expenses and to create reserves for claims.

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As of October 31, 2021, the Pool had total reported assets of \$9,860,254 (the latest information available). The 2021 monthly premiums paid by the Village per covered employee were \$2,494 for family coverage, \$1,663 for two party coverage with spouse, \$1,497 for two-party coverage with child, and \$831 for single coverage. The monthly life insurance premium was \$2.22. The cost of coverage for premiums is paid out of each respective fund and division that pays the salary of the individuals covered under the plan. Employees contribute a portion of each monthly premium through payroll withholding. During 2021, the Village paid \$672,460 into the Pool for all covered benefits. The amount of risk retained by the Pool in 2021 was \$300,000 per individual; coverage in excess of this amount was provided by Optum Unimerica Insurance Company.

BORMA Benefits Pool has the ability to require member entities to make supplemental payments in the event reserves are not adequate to cover claims. The probability of this occurring is considered remote due to the adequacy of the reserves and premium levels. Therefore, no additional amounts have been disclosed in the basic financial statements. Audited financial statements are maintained by the pool. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs to provide coverage to employees for job related injuries.

**Note 8 – Defined Benefit Pension Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

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<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

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

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Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
<b>2021 Statutory Maximum Contribution Rates</b>	
Employer	14.0%
Employee	10.0%
<b>2021 Actual Contribution Rates</b>	
Employer	
Pension	14.0%
Post-employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

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

The Village’s contractually required contribution was \$164,278 for the year 2021.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Village full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F ACFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percentage increase, if any, in the consumer price index over the 12 month period ending on September 30<sup>th</sup> of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3 percent of their base pension or disability benefit.

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

	Police
<b>2021 Statutory Maximum Contribution Rates</b>	
Employer	19.50%
Employee	12.25%
<b>2021 Actual Contribution Rates</b>	
Employer	
Pension	19.00%
Post-employment Health Care Benefits	0.50%
Total Employer	19.50%
Employee	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OP&F was \$123,671 for 2021.

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**Note 9 - Defined Benefit OPEB Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS ACFR referenced below for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, State and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village had no contractually required contribution 2021.

***Ohio Police and Fire Pension Fund***

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
(Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contractually required contribution to OP&F was \$3,249 for 2021.

**Note 10 – Long Term Debt and Leases**

***Debt***

Debt outstanding at December 31, 2021 was as follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
USDA Bonds	2.375%	\$868,900	April 1, 2027
OWDA Loan - WWTP Improvements	1.000%	2,240,415	January 1, 2027
OWDA Loan - Storm Sewer	1.000%	107,311	January 1, 2031
OWDA Loan - WWTP Improvements - Water Pollution Control	0.980%	10,889,356	January 1, 2047
OPWC Loan - Culvert Replacement	0.000%	57,774	January 20, 2026
2015 Revenue Bonds - Municipal Utilities Facility	2.625%	740,000	October 1, 2024
AMP Loan - Electric Improvements	1.600%	5,500,000	December 31, 2034
AMI Loan - Automated Meter Reading System	3.720%	809,326	July 25, 2025

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
For the Year Ended December 31, 2021  
(Continued)

The Village's long-term debt activity for the year ended December 31, 2021 was as follows:

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021	Due Within One Year
<b>Governmental Activities</b>					
<i>Direct Placement:</i>					
USDA Bonds	\$ 564,700	\$ 0	\$ (86,900)	\$ 477,800	\$ 86,900
<i>Other Long-term Obligations:</i>					
Lease Purchase	95,303	0	(48,168)	47,135	47,135
<b>Total Governmental Activities</b>	<b>\$ 660,003</b>	<b>\$ 0</b>	<b>\$ (135,068)</b>	<b>\$ 524,935</b>	<b>\$ 134,035</b>
<b>Business-Type Activities</b>					
<i>Direct Borrowings:</i>					
OWDA Loan - WWTP Improvements	\$ 719,647	\$ 0	\$ (116,970)	\$ 602,677	\$ 118,143
OWDA Loan - Storm Sewer	56,329	0	(5,383)	50,946	5,438
OWDA Loan - WWTP Improvement- Water Pollution Control	10,889,356	105,966	0	10,995,322	0
OPWC Loan - Culvert Replacement	34,666	0	(8,668)	25,998	5,777
AMI Loan	760,087	0	(151,829)	608,258	171,082
<b>Total Direct Borrowing</b>	<b>12,460,085</b>	<b>105,966</b>	<b>(282,850)</b>	<b>12,283,201</b>	<b>300,440</b>
<i>Direct Placement:</i>					
Revenue Bonds - 2015 Municipal Utilities Facility	296,000	0	(74,000)	222,000	74,000
<i>Other Long-term Obligations:</i>					
Lease Purchase	13,215	0	(13,215)	0	0
<b>Total Business-Type Activities</b>	<b>\$ 12,769,300</b>	<b>\$ 105,966</b>	<b>\$ (370,065)</b>	<b>\$ 12,505,201</b>	<b>\$ 374,440</b>

**Governmental Activities:**

**Direct Placement**

On December 13, 2016 the Village issued \$868,900 in bonds for the purchase of a fire truck. The bonds will be repaid in annual installments of \$86,900, over a twenty-year period from the general fund.

**Business-type Activities:**

**Direct Borrowings**

The Village has pledged future water, sewer, electric and storm water receipts, net of specified operating disbursements to repay \$17,145,046 of Ohio Public Works Commission (OPWC) loans, Ohio Water Development Authority (OWDA) loans, revenue bonds, an AMI loan, and an AMP note. Annual principal and interest payments, as a percentage of net customer receipts, on the loans are expected to be similar over the term of the loans as in the current year, which were 17.1 percent. The total principal and interest remaining to be paid on the loans is \$16,505,137. Principal and interest paid for the current year and total net receipts were \$464,375 and \$7,312,006 respectively.

During 2005, the Village entered into a loan agreement with OWDA in the amount of \$2,240,415. The proceeds of this loan were used for wastewater treatment plant improvements. The Village began repaying the loan in 2007.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
For the Year Ended December 31, 2021  
(Continued)

The Ohio Water Development Authority (OWDA) approved a \$228,889 loan to the Village on January 7, 2010 for improvements to the Village's storm sewer system. Of this amount, \$121,578 in principle was forgiven through assistance from funding through the American Recovery and Reinvestment Act of 2009 (ARRA) which left \$107,311 to be financed by the Village.

During 2019, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA) in the amount of \$10,889,356 for Waste Water Treatment Plant water pollution control. As of December 31, 2021 the Village has received all of the proceeds. No amortization schedule is available until the loan is fully disbursed and closed; therefore, it is not included below.

In the event of default, as defined by each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the Village to pay any fines or penalties incurred with interest.

The Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) in 2015 for the purpose of a culvert replacement project. This loan is being repaid in semi-annual installments beginning in July of 2016. The debt will be repaid over a ten-year period. In the event of default, as defined by the loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the Village fiscal officer to pay the amounts due from funds appropriated to the Villages' undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

On September 25, 2018, the Village entered into a loan agreement with the First Citizens Bank in the amount of \$809,326 for the purchase of an Automated Meter Information (AMI) system for both water and electric meters.

***Direct Placement***

On April 29, 2015 the Village issued revenue bonds to purchase a building. The building will house the Village's public works and electric departments. These bonds are to be repaid in annual installments, over a nine year period.

Principal and interest requirements to retire debt outstanding at December 31, 2021, were as follows:

Year	USDA Bonds		Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 86,900	\$ 10,833	\$ 74,000	\$ 5,908	\$ 123,580	\$ 6,228
2023	86,900	8,768	74,000	3,939	124,819	4,990
2024	86,900	6,705	74,000	1,974	126,070	3,738
2025	86,900	4,641	0	0	127,334	2,473
2026	86,900	1,546	0	0	122,952	923
2027-2031	43,300	1,546	0	0	28,868	799
Total	<u>\$ 477,800</u>	<u>\$ 34,039</u>	<u>\$ 222,000</u>	<u>\$ 11,821</u>	<u>\$ 653,623</u>	<u>\$ 19,151</u>

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
For the Year Ended December 31, 2021  
(Continued)

Year	OPWC Loans	AMI Loan		Total	
	Principal	Principal	Interest	Principal	Interest
2022	\$ 5,777	\$ 157,655	\$ 20,223	\$ 447,912	\$ 43,192
2023	5,778	163,706	14,173	455,203	31,870
2024	5,778	169,962	7,917	462,710	20,334
2025	5,778	116,935	1,651	336,947	8,765
2026	2,887	0	0	212,739	2,469
2027-2031	0	0	0	72,168	2,345
Total	\$ 25,998	\$ 608,258	\$ 43,964	\$ 1,987,679	\$ 108,975

**Short Term Note**

On November 24, 2020, the Village entered into a note agreement for \$4,275,000 with American Municipal Power (AMP) to refinance the 2019 AMP Note. The note will be repaid with the Village's net receipts from the electric fund. The note matures on December 1, 2021.

On December 1, 2021, the Village entered into a note agreement for \$3,925,000 with American Municipal Power (AMP) to refinance the 2020 AMP Note. The note will be repaid with the Village's net receipts from the electric fund. The note matures on November 30, 2022.

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021	Due Within One Year
<b>Business-Type Activities</b>					
AMP Note Payable 2020	\$ 4,275,000	\$ 0	\$ (4,275,000)	\$ 0	\$ 0
AMP Note Payable 2021	0	3,925,000	0	3,925,000	3,925,000
<b>Total Governmental Activities</b>	\$ 4,275,000	\$ 3,925,000	\$ (4,275,000)	\$ 3,925,000	\$ 3,925,000

**Lease Purchase**

On April 15, 2020, the Village entered into a lease for a new plow truck and spreader. On December 8, 2017 the Village entered into a lease for new Ford F-450 truck.

Outstanding lease payments are as follows:

Year	Governmental Activites
2022	\$48,430
Less: Interest	1,295
Total	\$47,135

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
For the Year Ended December 31, 2021  
(Continued)

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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 12 – Fund Balance**

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

	General	Other Governmental Funds	Total
<i>Restricted for:</i>			
Reinvestment and Enterprise Zone	\$0	\$9,000	\$9,000
Road Improvements	0	282,885	282,885
Cemetery	0	109,714	109,714
Police Operations	0	20,570	20,570
Debt Service	0	270	270
Other Purposes	0	87,545	87,545
Total Restricted	<u>0</u>	<u>509,984</u>	<u>509,984</u>
<i>Committed for:</i>			
Capital Outlay	0	220,405	220,405
Recreation	0	287,415	287,415
Police Operations	0	15,681	15,681
Total Committed	<u>0</u>	<u>523,501</u>	<u>523,501</u>
<i>Assigned for:</i>			
Encumbrances	23,026	0	23,026
Subsequent Year Appropriations	291,505	0	291,505
Total Assigned	<u>314,531</u>	<u>0</u>	<u>314,531</u>
Unassigned	<u>44,971</u>	<u>0</u>	<u>44,971</u>
Total Fund Balance	<u><u>\$359,502</u></u>	<u><u>\$1,033,485</u></u>	<u><u>\$1,392,987</u></u>

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
(Continued)

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**Note 13 – Other Commitments and Contingencies**

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 2,000 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.26 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share of the impaired costs at March 31, 2014 was \$346,050. The Village received a credit of \$132,716 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$90,450 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU), leaving an estimated net impaired cost balance of \$122,884. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014 the Village has made payments of \$130,761 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$4,224 and interest expense incurred on AMP's line-of-credit of \$845, resulting in a net credit balance for impaired cost estimate at December 31, 2020 of \$2,808. The Village has opted to leave the credit balance with AMP to offset any additional AMPGS Project costs in the future. The Village does have a potential PHFU credit of \$10,367 resulting in a net credit balance for total potential liability of \$13,175, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The Village intends to recover these costs and repay AMP over the next year through a power cost adjustment.

**Note 14 – Interfund**

During 2021, the capital improvement fund transferred \$100,066 to the fire truck bond retirement fund for principal and interest payments. The water, sewer, electric and storm water utility funds transferred \$24,563, \$24,563, \$24,563, and \$8,189, respectively, to the utility bond debt service fund for principal and interest payments.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
(Continued)

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**Note 15 – Tax Abatements**

The Village of Carey has entered into tax abatement agreements with Continental Structural Plastics (CSP) of Ohio, Hanon Systems USA, and Wagner Ford, LLC for the abatement of real property taxes. Under the agreements established by Ohio Revised Code Sections 5709.632 and 3735.65 through 3735.70, the businesses agree to bring jobs and economic development into the Village in exchange for forgone property tax receipts.

Under the agreements, the Village's property tax receipts were abated by \$12,980.

**Note 16 – 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. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. 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.

During 2021, the Village received \$186,143 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

***Charles E. Harris & Associates, Inc.***

*Certified Public Accountants*

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

Village of Carey  
Wyandot County  
127 North Vance Street  
Carey, Ohio 43316

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Carey, Wyandot County (the Village) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 6, 2022. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

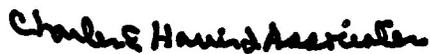
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2021-001.

***Government's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying corrective action plan. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of This Report***

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



*Charles E. Harris & Associates, Inc.*  
May 6, 2022

**INDEPENDENT AUDITOR'S REPORT**

Village of Carey  
Wyandot County  
127 North Vance Street  
Carey, Ohio 43316

To the Village Council:

***Report on the Financial Statements***

We have audited the accompanying cash-basis financial statements of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carey, Wyandot County, Ohio (the Village) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 have obtained is sufficient and appropriate to support our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carey, Wyandot County, Ohio, as of December 31, 2020, and the respective changes in cash financial position thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Emphasis of Matter***

As discussed in Note 13 to the financial statements. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.



***Charles E. Harris & Associates, Inc.***  
May 6, 2022

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*

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This discussion and analysis of the Village of Carey's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2020, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

***Financial Highlights***

Key highlights for 2020 are as follows:

- In total, net position decreased \$30,147. Net position of governmental activities increased \$90,598, which represents a 7 percent increase from 2019. Net position of business-type activities decreased \$120,745 or a 1 percent decrease from 2019.
- The Village's general receipts accounted for \$16,593,412 or 60 percent of all receipts. Program specific receipts in the form of charges of services and sales and operating and capital grants, contributions and interest accounted for \$11,169,585 or 40 percent of total receipts of \$27,762,997.
- Total program disbursements were \$27,793,144; \$2,955,153 in governmental activities and \$24,837,991 in business-type activities.
- Outstanding debt increased from \$9,046,518 to \$17,704,302.

***Using the Basic Financial Statements***

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

**Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns. In the case of the Village of Carey, the General fund is the most significant governmental fund. The Sewer, Electric, and Storm Water Utility funds are the most significant enterprise funds.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
(Continued)

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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related receipts (such as accounts receivable) and certain liabilities and their related disbursements (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

***Reporting the Village of Carey as a Whole***

*Statement of Net Position and the Statement of Activities*

*The Statement of Net Position and the Statement of Activities* reflect how the Village did financially during 2020, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local receipt sources such as property and income taxes.

In the statement of net position and the statement of activities, we divide the Village into two types of activities:

Governmental Activities - The Village's basic services are reported here, including general government, security of persons and property, community environment, leisure time activities and transportation. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the disbursements of goods or services provided. The Village's water, sewer, electric, storm water, utility deposit, utility sinking, and recycling funds are reported as business-type activities.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
(Continued)

***Reporting the Village of Carey's Most Significant Funds***

*Fund Financial Statements*

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and proprietary.

Governmental Funds – Many of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental fund is the General fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The enterprise fund has three major funds, the Sewer, Electric, and Storm Water Utility funds.

***The Village of Carey as a Whole***

Table 1 provides a summary of the Village's net position for 2020 compared to 2019 on a cash basis:

**Table 1**  
**Net Position**

	Governmental Activities			Business-Type Activities		
	2020	2019	Change	2020	2019	Change
<b>Assets</b>						
Equity Pooled in Cash and Cash Equivalents	\$ 1,431,927	\$ 1,341,329	\$ 90,598	\$ 10,077,326	\$ 10,198,071	\$ (120,745)
<b>Net Position</b>						
Restricted	407,434	332,961	74,473	0	0	0
Unrestricted	1,024,493	1,008,368	16,125	10,077,326	10,198,071	(120,745)
<i>Total Net Position</i>	<u>\$ 1,431,927</u>	<u>\$ 1,341,329</u>	<u>\$ 90,598</u>	<u>\$ 10,077,326</u>	<u>\$ 10,198,071</u>	<u>\$ (120,745)</u>

In 2020, total equity pooled in cash and cash equivalents decreased. Refer to additional discussion of factors causing this decrease on page 7.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
(Continued)

Table 2 reflects the changes in net position on a cash basis in 2020 and 2019 for governmental activities, business-type activities and total primary government.

**Table 2**  
**Changes in Net Position**

	Governmental Activities			Business-Type Activities		
	2020	2019	Change	2020	2019	Change
<b>Receipts</b>						
<i>Program Receipts:</i>						
Charges for Services and Sales	\$ 92,778	\$ 111,748	\$(18,970)	\$ 10,366,467	\$ 10,651,251	\$ (284,784)
Operating Grants, Contributions and Interest	698,128	246,379	451,749	12,212	525,979	(513,767)
Capital Grants, Contributions and Interest	0	6,602	(6,602)	0	0	0
<i>Total Program Receipts</i>	<u>790,906</u>	<u>364,729</u>	<u>426,177</u>	<u>10,378,679</u>	<u>11,177,230</u>	<u>(798,551)</u>
<i>General Receipts:</i>						
Property Taxes	99,212	68,869	30,343	0	0	0
Income Taxes	1,459,958	1,413,921	46,037	729,979	706,642	23,337
Other Local Taxes	340,585	386,025	(45,440)	0	0	0
Grants and Entitlements	91,090	81,917	9,173	0	0	0
Sale of Assets	26,997	32,452	(5,455)	0	2,550	(2,550)
Proceeds from Loans	0	0	0	9,220,745	2,559,975	6,660,770
Proceeds of Notes	0	0	0	4,275,000	4,585,000	(310,000)
Premium on Notes	0	0	0	38,646	34,250	4,396
Investment Earnings	101,265	119,682	(18,417)	0	0	0
Miscellaneous	135,738	104,892	30,846	74,197	31,315	42,882
<i>Total General Receipts</i>	<u>2,254,845</u>	<u>2,207,758</u>	<u>47,087</u>	<u>14,338,567</u>	<u>7,919,732</u>	<u>6,418,835</u>
<i>Total Receipts</i>	<u>3,045,751</u>	<u>2,572,487</u>	<u>473,264</u>	<u>24,717,246</u>	<u>19,096,962</u>	<u>5,620,284</u>
<b>Disbursements</b>						
General Government	502,087	396,411	105,676	0	0	0
Security of Persons and Property	1,463,555	1,551,570	(88,015)	0	0	0
Public Health	18,655	20,338	(1,683)	0	0	0
Leisure Time Services	112,113	124,485	(12,372)	0	0	0
Community and Economic Development	5,195	3,744	1,451	0	0	0
Basic Utility Service	0	750	(750)	0	0	0
Transportation	261,720	183,068	78,652	0	0	0
Capital Outlay	436,538	245,087	191,451	0	0	0
Principal Retirement	139,495	107,228	32,267	0	0	0
Interest and Fiscal Charges	15,795	17,777	(1,982)	0	0	0
<i>Enterprise Operations:</i>						
Electric	0	0	0	13,401,484	13,387,447	14,037
Recycling	0	0	0	27,053	76,944	(49,891)
Sewer	0	0	0	10,294,737	4,840,060	5,454,677
Storm Water Utility	0	0	0	129,271	102,620	26,651
Utility Deposit	0	0	0	31,077	34,678	(3,601)
Water	0	0	0	870,495	593,037	277,458
Utility Bond Debt Service	0	0	0	83,874	85,817	(1,943)
<i>Total Disbursements</i>	<u>2,955,153</u>	<u>2,650,458</u>	<u>304,695</u>	<u>24,837,991</u>	<u>19,120,603</u>	<u>5,717,388</u>
<i>Change in Net Position</i>	90,598	(77,971)	168,569	(120,745)	(23,641)	(97,104)
<i>Net Position Beginning of Year</i>	<u>1,341,329</u>	<u>1,419,300</u>	<u>(77,971)</u>	<u>10,198,071</u>	<u>10,221,712</u>	<u>(23,641)</u>
<i>Net Position End of Year</i>	<u>\$ 1,431,927</u>	<u>\$ 1,341,329</u>	<u>\$ 90,598</u>	<u>\$ 10,077,326</u>	<u>\$ 10,198,071</u>	<u>\$ (120,745)</u>

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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**Governmental Activities**

Program receipts represent only 26 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees and charges to nearby governments for police services provided under contract.

General receipts represent 74 percent of the Village's total receipts, and of this amount, 84 percent are taxes. State and federal grants and entitlements make up 4 percent of the Village's general receipts. Other receipts, such as investments earnings and bonds issued make up 12 percent of general receipts. In 2020, operating grants increased primarily due to receipts for Coronavirus relief.

Disbursements for general government represent the costs of running the Village and the support services provided for the other government activities. These include the costs of the Mayor, Council, Village Administrator, Fiscal Officer and income tax departments, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, the Village tries to limit these costs to 7 percent of general fund unrestricted receipts.

Security of persons and property are the costs of police and fire protection and represent the largest disbursement of government activities, representing 50 percent of the total disbursements. Capital outlay disbursements represent 15 percent of total distributions, primarily due to ongoing projects within the Village.

**Business-type Activities**

Business-type activities include water, sewer, electric, storm water, utility deposit, utility bond debt service, and recycling operations. The receipts are generated primarily from charges for services. In 2020, operating grants decreased primarily due to grants received in 2019 from the Ohio Public Works Commission (OPWC) for a lift station and from the Economic Development Administration (EDA) for the Municipal Electrical Systems upgrade. The increase in general receipts is due to proceeds received from the Automated Meter Information (AMI) Loan and Ohio Water Development Authority (OWDA) disbursements for the water pollution control project.

The total disbursements for the utilities increased in 2020. This increase is primarily due to disbursements for the water pollution control project. The Village had a decrease in net position for the business-type activities.

***The Village's Funds***

The fund balance of the general fund increased slightly for year-end 2020.

Net position in the sewer fund decreased, primarily due to disbursements for the water pollution control project. The increase in proceeds from loans correlates with the offsetting increase in capital outlay disbursements from capital projects.

Net position in the electric fund increased as overall receipts continue to outpace disbursements.

Net position in the storm water utility fund increased as overall receipts outpaced disbursements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
(Continued)

**General Fund Budgeting Highlights**

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of 2020, the Village amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the Village Fiscal Officer. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

**Original Budget Compared to Final Budget** During the course of fiscal year 2020, there was no need for the Village to amend its original estimated revenues. There was a need to increase budgeted disbursements for general government and security of persons and property. These increases were not significant. The Village also decreased budgeted transportation expense. The decrease was not significant.

**Final Budget Compared to Actual Results** The most significant difference in estimated receipts and actual receipts was for income taxes as a result in increased unemployment due to the effects of the COVID-19 pandemic. The most significant differences between estimated disbursements and actual disbursements were for general government and security of persons and property. These disbursements were lower than the final budgeted disbursements as cost savings were recognized during the year.

**Debt Administration**

**Debt**

Table 3 summarizes outstanding debt at December 31, 2020 and 2019.

**Table 3**  
**Outstanding Debt, at December 31**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 564,700	\$ 651,600	\$ 0	\$ 0	\$ 564,700	\$ 651,600
Revenue Bonds	0	0	296,000	370,000	296,000	370,000
OPWC Loans	0	0	34,666	34,666	34,666	34,666
OWDA Loans	0	0	11,665,332	3,166,578	11,665,332	3,166,578
AMI Loan	0	0	760,086	208,475	760,086	208,475
AMP Note	0	0	4,275,000	4,585,000	4,275,000	4,585,000
Lease Purchase	95,303	6,780	13,215	23,419	108,518	30,199
<b>Total</b>	<b>\$ 660,003</b>	<b>\$ 658,380</b>	<b>\$ 17,044,299</b>	<b>\$ 8,388,138</b>	<b>\$ 17,704,302</b>	<b>\$ 9,046,518</b>

During 2020, debt increased primarily due to additional Ohio Water Development Authority (OWDA) loan proceeds for water pollution control offset by principal payments made throughout the year. Additional information concerning the Village's debt can be found in Note 10 to the basic financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
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***Current Issues***

This was another year of completion for multiple utility projects, as well as acting on the ongoing local commitment to new infrastructure projects and improvements. Having completed the CSP Substation & 69kV pole line, we turned our attention to a related project, for which we are not the owner, but rather at the mercy of American Electric Power (AEP). Back in 1995, the village installed a second feed to the AEP grid, from the southwest. Over time, that feed has been outgrown and the existing small conductor sizes can actually perform as fuses, tripping protection equipment, burning out & dropping service. Therefore, in the interim, AEP opted to implement a switching scheme temporarily, making the northeast feeder as the only path, thereby eliminating the redundancy we previously had. To regain that backup for the village we have worked with and lobbied AEP for, a permanent solution. They have indeed responded as part of a major improvement plan to build a “new” feed from the west. That will require our installing new switching and metering equipment at the juncture of our new pole line and their high voltage equipment. The estimated costs started about \$430,000 but through negotiations have been reduced to about \$260,000. This expense will not be paid out of pocket by the Village of Carey but rather rolled into our Interconnection and Local Delivery Service Agreement (ILDSA).

We are continuing to execute the next phases of our planned system improvements in the form of additional voltage conversion work (started back in 2018) to multiple non-industrial locations on the southeast, and the new subdivision primary voltage for homes & businesses in the southwest portions of the village. A minimum of three more planned conversion phases remain to be completed, and several larger projects required due to aging (1946 & 1957) substation equipment, there is no shortage of work for our personnel to perform In-House. The engineering is also ongoing behind the scenes for the required switchgear and breaker reliability upgrades which have been looming. Funds availability however will determine the actual start of those projects. We do not want to exceed any covenant requirements for cash on hand.

The Village has completed the selection of the “lowest and best” proposal from the published RFP respondents for the Automated Meter Information (AMI) system (for both water and electric meters). Software integration has been performed and a majority of the physical hardware (radios, collectors, repeaters, meters, etc) has been installed as of December 2019. Financing has been through ACH draws against the secured \$950,000 bank note previously identified and approved by council for work performed in 2019 and is expected to be completed in the spring of 2021.

The OEPA required Asset Management program for Water continues to gather information. Both Geologic Information System (aerials) / Global Positioning System (satellite) hardware and the associated software to contain the information gathered by Public Works personnel is in place and functioning. Specific locations are being systematically entered as time allows, OR when a physical correction is identified during maintenance or repair events. The ‘tablets’ are being routinely integrated by all departments not just the initial driver, which was the Public Water Supply. We have also contracted with mPower to help assist in putting together all of our electrical, water, storm water, sanitary lines into the GIS system to help us track our assets.

The Bids were released and the “Lowest & Best” was determined to be Jones & Henry for Construction Oversight, Plant Design and owner representation when issues arise, or clarification is needed. The Peterson Construction Company was selected as Lowest & Best with a bid of \$10,813,000 for the project. Construction Phase of the wastewater treatment plant build (being financed through OWDA / DEFA) is nearly 35 percent complete. Further, additional work on the WWTP site includes cleaning and disposal of the bio-solids contained in the polishing ponds, estimated at another \$700,000 but proposed as an option, which we accepted. This work has been started and will come to a complete in the spring of 2021.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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The Arrowhead Commerce Park continues to grow and prosper. The initial anchor tenant for Arrowhead, HANON, LLC, has nearly doubled the size of their foot print and is already eyeing a third addition in the near future. They continue to steadily increase their workforce, which adds to the income tax rolls. All current tax incentives have been functioning as anticipated.

The major equipment purchases during 2020 were a 2019 International HV507 dump with stainless steel bed, a PJ equipment trailer 16ft tilt deck with 4ft flat deck for attachments, a walk behind 8" scarifier for removing concrete and asphalt, a ride on floor sweeper to maintain Public works garage and warehouse. We also purchased a hydraulic grapple for the skid steer to load cardboard and move material at the compost pile.

In other areas, we saw continued success in the WyCo Collaborative action with the Sheriff, other law enforcement agencies and the Metrich multi-jurisdictional Drug Enforcement group. Our K-9 Officer, Ace, and his handler, Sgt Flick, continue to prove their worth as well.

General upgrading of IT equipment and software, such as laptops, tablets, several replacement monitors and printers in various departments, antivirus, and malware protection for all administrative, wastewater, public works, utility billing and electric computers is an ongoing process. We have put all of our computers on a replacement rotation of around 5-6 years.

No problems were experienced with the Fire Department operations during 2020. Crawford Township received their annual credit for \$17,500 and contributed \$6,500 for fire protection services and current operations per the negotiated Fire Contract in force. The Fire Department has upgraded their radio equipment to the Marx radio system.

The two (2) megawatt solar array installed on the Village owned well field property and operated by Solar Planet Power, continues to operate well and produced approximately 2.3 megawatt-hours during 2020. The Village of Carey also continues to keep a diverse portfolio when it comes to energy by participating in the AMP Hydro's and APM's Natural Gas plant.

Electric Fund revenues remain stable for 2020 but may still need some upward adjustment in the foreseeable future to meet ever increasing O&M costs. We have started line construction and storm restoration project on W. South St and West Street. This includes replacing old line with new and replacement of any old pole structures. We are also looking to move forward with a new substation on Ogg St for 2021 and over the 2022 year.

On the water side we were able to replace two lines in 2020. The first on Grove Street and the second was in an alleyway. The one in the alleyway was to upsize the line in preparation for 2021 to provide better fire flow for the buildings downtown.

The Village also completed some major paving projects that included:

Taylor Street - From Clay St to West St

High St- From Frederick St to East Findlay St

High St- From Frederick St to Grove St

Grove Street to the dead end

W. Alley of High Street from High St to first N/S Alley

E. Alley of High St- from High St to Columbus Ave.

Also, there was \$20,000 in utility patches.

**Village of Carey**  
**Wyandot County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*(Continued)*

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In Memorial Park, we were able to add a splash pad. This was done in conjunction with donor money from the residents and business owners in the community along with a grant from ODNR. The splash pad cost \$110,000 and has been a great asset to the community.

Also, in 2020, we seen the Ogg Street bridge replaced. This was done in conjunction with ODOT shared bridge program that allowed us to replace the failing bridge by sharing the cost with ODOT.

***Contacting the Village's Financial Management***

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Laura Ewing, Fiscal Officer, Village of Carey, 127 N. Vance Street, Carey, Ohio 43316-1056, telephone 419-396-7681 or email [fiscalofficer@careyohio.org](mailto:fiscalofficer@careyohio.org).

**Village of Carey**  
**Wyandot County, Ohio**  
*Statement of Net Position-Cash Basis*  
*December 31, 2020*

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,431,927	\$ 10,077,326	\$ 11,509,253
<b>Net Position</b>			
Restricted for:			
Public Health	\$ 117,721	\$ 0	\$ 117,721
Street Maintenance	251,257	0	251,257
Other Purposes	38,456	0	38,456
Unrestricted	1,024,493	10,077,326	11,101,819
<i>Total Net Position</i>	<u>\$ 1,431,927</u>	<u>\$ 10,077,326</u>	<u>\$ 11,509,253</u>

See accompanying notes to the financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Statement of Activities-Cash Basis*  
*For the Year Ended December 31, 2020*

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>						
General Government	\$ 502,087	\$ 9,948	\$ 200	\$ (491,939)	\$ 0	\$ (491,939)
Security of Persons and Property	1,463,555	27,939	350,345	(1,085,271)	0	(1,085,271)
Public Health	18,655	28,710	0	10,055	0	10,055
Leisure Time Services	112,113	26,181	71,333	(14,599)	0	(14,599)
Community and Economic Development	5,195	0	0	(5,195)	0	(5,195)
Transportation	261,720	0	276,250	14,530	0	14,530
Capital Outlay	436,538	0	0	(436,538)	0	(436,538)
Debt Service:						
Principal Retirement	139,495	0	0	(139,495)	0	(139,495)
Interest and Fiscal Charges	15,795	0	0	(15,795)	0	(15,795)
<i>Total Governmental Activities</i>	<u>2,955,153</u>	<u>92,778</u>	<u>698,128</u>	<u>(2,164,247)</u>	<u>0</u>	<u>(2,164,247)</u>
<b>Business-Type Activities</b>						
Electric	13,401,484	8,923,795	0	0	(4,477,689)	(4,477,689)
Recycling	27,053	42,550	12,212	0	27,709	27,709
Sewer	10,294,737	455,735	0	0	(9,839,002)	(9,839,002)
Storm Water Utility	129,271	199,496	0	0	70,225	70,225
Utility Deposit	31,077	34,495	0	0	3,418	3,418
Water	870,495	710,396	0	0	(160,099)	(160,099)
Utility Bond Debt Service	83,874	0	0	0	(83,874)	(83,874)
<i>Total Business-Type Activities</i>	<u>24,837,991</u>	<u>10,366,467</u>	<u>12,212</u>	<u>0</u>	<u>(14,459,312)</u>	<u>(14,459,312)</u>
<i>Total Primary Government</i>	<u>\$ 27,793,144</u>	<u>\$ 10,459,245</u>	<u>\$ 710,340</u>	<u>(2,164,247)</u>	<u>(14,459,312)</u>	<u>(16,623,559)</u>
<b>General Receipts:</b>						
Property Taxes Levied for:						
General Purposes				99,212	0	99,212
Income Taxes Levied for:						
General Purposes				1,167,966	0	1,167,966
Parks and Recreation				145,996	0	145,996
Capital Improvements				145,996	0	145,996
Debt Retirement				0	729,979	729,979
Other Local Taxes				340,585	0	340,585
Grants and Entitlements not						
Restricted to Specific Programs				91,090	0	91,090
Sale of Assets				26,997	0	26,997
Proceeds from Loans				0	9,220,745	9,220,745
Proceeds of Notes				0	4,275,000	4,275,000
Premium on Notes				0	38,646	38,646
Investment Earnings				101,265	0	101,265
Miscellaneous				135,738	74,197	209,935
<i>Total General Receipts</i>				<u>2,254,845</u>	<u>14,338,567</u>	<u>16,593,412</u>
<i>Change in Net Position</i>				90,598	(120,745)	(30,147)
<i>Net Position Beginning of Year</i>				<u>1,341,329</u>	<u>10,198,071</u>	<u>11,539,400</u>
<i>Net Position End of Year</i>				<u>\$ 1,431,927</u>	<u>\$ 10,077,326</u>	<u>\$ 11,509,253</u>

See accompanying notes to the financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2020*

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	<u>\$ 440,852</u>	<u>\$ 991,075</u>	<u>\$ 1,431,927</u>
<b>Fund Balances</b>			
Restricted	\$ 0	\$ 407,434	\$ 407,434
Committed	0	583,641	583,641
Assigned	228,499	0	228,499
Unassigned	212,353	0	212,353
<i>Total Fund Balances</i>	<u>\$ 440,852</u>	<u>\$ 991,075</u>	<u>\$ 1,431,927</u>

See accompanying notes to the financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2020*

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Receipts</b>			
Property Taxes	\$ 99,212	\$ 0	\$ 99,212
Income Taxes	1,167,966	291,992	1,459,958
Other Local Taxes	340,585	0	340,585
Special Assessments	751	0	751
Charges for Services	21,923	52,541	74,464
Licenses and Permits	4,297	0	4,297
Fines and Forfeitures	4,171	1,845	6,016
Intergovernmental	91,090	621,118	712,208
Interest	101,265	1,445	102,710
Rent	4,900	2,350	7,250
Contributions and Donations	200	75,365	75,565
Other	88,189	47,549	135,738
<i>Total Receipts</i>	<u>1,924,549</u>	<u>1,094,205</u>	<u>3,018,754</u>
<b>Disbursements</b>			
Current:			
General Government	465,077	37,010	502,087
Security of Persons and Property	1,158,038	305,517	1,463,555
Public Health	5,160	13,495	18,655
Leisure Time Services	0	112,113	112,113
Community Development	5,195	0	5,195
Transportation	53,816	207,904	261,720
Capital Outlay	117,199	319,339	436,538
Debt Service:			
Principal Retirement	0	139,495	139,495
Interest and Fiscal Charges	0	15,795	15,795
<i>Total Disbursements</i>	<u>1,804,485</u>	<u>1,150,668</u>	<u>2,955,153</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>120,064</u>	<u>(56,463)</u>	<u>63,601</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Assets	0	26,997	26,997
Transfers In	0	101,860	101,860
Transfers Out	(101,860)	0	(101,860)
<i>Total Other Financing Sources (Uses)</i>	<u>(101,860)</u>	<u>128,857</u>	<u>26,997</u>
<i>Net Change in Fund Balance</i>	18,204	72,394	90,598
<i>Fund Balance Beginning of Year</i>	<u>422,648</u>	<u>918,681</u>	<u>1,341,329</u>
<i>Fund Balance End of Year</i>	<u>\$ 440,852</u>	<u>\$ 991,075</u>	<u>\$ 1,431,927</u>

See accompanying notes to the financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2020*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Receipts</b>				
Property Taxes	\$ 77,534	\$ 77,534	\$ 99,212	\$ 21,678
Income Taxes	1,388,333	1,388,333	1,167,966	(220,367)
Other Local Taxes	436,868	436,868	340,585	(96,283)
Special Assessments	0	0	751	751
Charges for Services	40,393	40,393	21,923	(18,470)
Licenses and Permits	4,661	4,661	4,297	(364)
Fines and Forfeitures	11,526	11,526	4,171	(7,355)
Intergovernmental	62,372	62,372	91,090	28,718
Interest	101,335	101,335	101,265	(70)
Rent	15,203	15,203	4,900	(10,303)
Contributions and Donations	19,000	19,000	200	(18,800)
Other	89,637	89,637	88,189	(1,448)
<i>Total Receipts</i>	<u>2,246,862</u>	<u>2,246,862</u>	<u>1,924,549</u>	<u>(322,313)</u>
<b>Disbursements</b>				
Current:				
General Government	478,578	545,893	468,082	77,811
Security of Persons and Property	1,525,200	1,530,200	1,177,216	352,984
Public Health	6,328	6,328	5,160	1,168
Community and Economic Development	3,855	3,855	5,195	(1,340)
Basic Utility Service	773	773	0	773
Transportation	120,000	54,185	53,816	369
Capital Outlay	183,004	183,004	137,785	45,219
<i>Total Disbursements</i>	<u>2,317,738</u>	<u>2,324,238</u>	<u>1,847,254</u>	<u>476,984</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(70,876)</u>	<u>(77,376)</u>	<u>77,295</u>	<u>154,671</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(101,860)</u>	<u>(101,860)</u>	<u>(101,860)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(172,736)</u>	<u>(179,236)</u>	<u>(24,565)</u>	<u>154,671</u>
<i>Fund Balance Beginning of Year</i>	<u>395,778</u>	<u>395,778</u>	<u>395,778</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 223,042</u>	<u>\$ 216,542</u>	<u>\$ 371,213</u>	<u>\$ 154,671</u>

See accompanying notes to the financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Statement of Fund Net Position - Cash Basis*  
*Proprietary Funds*  
*December 31, 2020*

	Enterprise Funds				Total
	Sewer	Electric	Storm Water Utility	Other Enterprise Funds	
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	<u>\$ 3,300,925</u>	<u>\$ 4,431,394</u>	<u>\$ 1,157,994</u>	<u>\$ 1,187,013</u>	<u>\$ 10,077,326</u>
<b>Net Position</b>					
Unrestricted	<u>\$ 3,300,925</u>	<u>\$ 4,431,394</u>	<u>\$ 1,157,994</u>	<u>\$ 1,187,013</u>	<u>\$ 10,077,326</u>

See accompanying notes to the financial statements.

**Village of Carey  
Wyandot County, Ohio**

*Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis  
Proprietary Funds  
For the Year Ended December 31, 2020*

	Business-Type Activities				Totals
	Sewer	Electric	Storm Water Utility	Other Enterprise Funds	
<b>Operating Receipts</b>					
Charges for Services	\$ 455,735	\$ 8,923,795	\$ 199,496	\$ 787,441	\$10,366,467
Other	14,043	38,395	0	21,759	74,197
<i>Total Operating Receipts</i>	<u>469,778</u>	<u>8,962,190</u>	<u>199,496</u>	<u>809,200</u>	<u>10,440,664</u>
<b>Operating Disbursements</b>					
Personal Services	221,766	377,670	43,672	200,672	843,780
Fringe Benefits	114,706	213,533	29,295	127,508	485,042
Contractual Services	104,606	7,588,462	13,717	171,446	7,878,231
Materials and Supplies	23,375	39,349	1,143	51,646	115,513
Capital Outlay	9,704,451	411,227	30,511	351,752	10,497,941
<i>Total Operating Disbursements</i>	<u>10,168,904</u>	<u>8,630,241</u>	<u>118,338</u>	<u>903,024</u>	<u>19,820,507</u>
<i>Operating Income (Loss)</i>	<u>(9,699,126)</u>	<u>331,949</u>	<u>81,158</u>	<u>(93,824)</u>	<u>(9,379,843)</u>
<b>Non-Operating Receipts (Disbursements)</b>					
Income Taxes	729,979	0	0	0	729,979
Intergovernmental	0	0	0	12,212	12,212
Proceeds from Loans	8,820,177	200,284	0	200,284	9,220,745
Proceeds of Notes	0	4,275,000	0	0	4,275,000
Premium on Notes Issued	0	38,646	0	0	38,646
Principal Retirement	(117,046)	(4,622,363)	(9,814)	(90,360)	(4,839,583)
Interest and Fiscal Charges	(8,787)	(148,880)	(1,119)	(19,115)	(177,901)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>9,424,323</u>	<u>(257,313)</u>	<u>(10,933)</u>	<u>103,021</u>	<u>9,259,098</u>
<i>Income (Loss) Before Transfers</i>	<u>(274,803)</u>	<u>74,636</u>	<u>70,225</u>	<u>9,197</u>	<u>(120,745)</u>
Transfers In	0	0	0	83,874	83,874
Transfers Out	(25,162)	(25,162)	(8,388)	(25,162)	(83,874)
<i>Total Transfers</i>	<u>(25,162)</u>	<u>(25,162)</u>	<u>(8,388)</u>	<u>58,712</u>	<u>0</u>
<i>Change in Net Position</i>	<u>(299,965)</u>	<u>49,474</u>	<u>61,837</u>	<u>67,909</u>	<u>(120,745)</u>
<i>Net Position Beginning of Year</i>	<u>3,600,890</u>	<u>4,381,920</u>	<u>1,096,157</u>	<u>1,119,104</u>	<u>10,198,071</u>
<i>Net Position End of Year</i>	<u>\$ 3,300,925</u>	<u>\$ 4,431,394</u>	<u>\$ 1,157,994</u>	<u>\$ 1,187,013</u>	<u>\$10,077,326</u>

See accompanying notes to the financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The Village of Carey, Wyandot 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 six-member Council elected at large for four year terms. The Mayor is elected to a four-year term and votes only to break a tie.

The reporting entity is comprised of the primary government and other organizations that were included to ensure that the financial statements are not misleading.

***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services; water, sewer and electric utilities, maintenance of Village roads and bridges, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department and contracts with Wyandot County for emergency medical services. The Village also manages a public cemetery.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village approves the budget, the levying of taxes or the issuance of debt. The Village does not have any component units.

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

***Public Entity Risk Pools***

The Village participates in public entity risk pools. Note 7 to the financial statements provides additional information for these entities.

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C., these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

***A. Basis of Presentation***

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

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
(Continued)

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***Government-Wide Financial Statements***

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

The statement of net position presents the cash and investment balances of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

***Fund Financial Statements***

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

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

***B. Fund Accounting***

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and proprietary.

***Governmental Funds***

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following is the Village's major governmental fund:

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
(Continued)

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**General Fund** The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

**Proprietary Funds**

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

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

**Sewer Fund** The Sewer Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Electric Fund** The Electric Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Storm Water Utility Fund** The Storm Water Utility Fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

The other enterprise funds of the Village account for the operations of the water, recycling, storm water and utility deposits.

**C. Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

**D. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate. The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
(Continued)

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

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

***E. Cash and Investments***

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

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

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

During 2020, the Village invested in certificates of deposits.

Interest earnings are allocated to Village funds according to State statutes, grant requirements or debt related restrictions. Interest receipts credited to the General Fund during 2020 amounted to \$101,265, which includes \$97,399 assigned from other Village funds.

***F. Inventory and Prepaid Items***

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

***G. Capital Assets***

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

***H. Interfund Receivables/Payables***

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
(Continued)

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***I. Accumulated Leave***

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

***J. Pensions/Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

***K. Long-Term Obligations***

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

***L. Net Position***

Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include primarily resources restricted for street maintenance and repairs.

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

***M. Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
(Continued)

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute. The Village has by resolution authorized the Fiscal Officer to assign fund balance. The Village may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated receipt and appropriations in the subsequent year's appropriated budget.

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

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

***N. Interfund Transactions***

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
(Continued)

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**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis) and that the Village’s payroll clearing fund is partially combined into the general fund to comply with GASB 54 classifications. The encumbrances outstanding at year end (budgetary basis) amounted to \$28,499 for the general fund.

**Note 4 – Deposits and Investments**

Monies held by the Village are classified by State statute into three categories.

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

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

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

Protection of the Village’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
(Continued)

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2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).
8. Under limited circumstances, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

***Deposits***

At year-end, \$2,054,204 of the Village's bank balance of \$11,850,065 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the Village's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Village to a successful claim by the FDIC.

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village will not be able to recover deposits or collateral securities that are in possession of an outside party.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

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- Eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Note 5 – Income Taxes**

The Village levies a 1.5 percent income tax. By Council action on January 18, 2016, the first one percent of income tax receipt is divided as follows: 80 percent to the General Fund, 10 percent to the Parks Fund and 10 percent to the Capital Improvement Fund. The remaining one-half percent is placed in the Sewer Debt Retirement Fund, by Council action. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, if at least one percent tax is paid to another municipality on wages earned, that credit can be applied to the Village of Carey tax liability, with the other half percent payable to the Village of Carey. Ultimately, the total income tax payable must equal 1.5 percent of earned income. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2020 for real and public utility property taxes represents collections of the 2019 taxes.

2020 real property taxes were levied after October 1, 2020 on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2020, was \$1.90 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2020 property tax receipts were based are as follows:

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Category	Assessed Value
Real Estate	\$ 55,506,020
Public Utility Personal Property	689,330
Total Assessed Value	\$ 56,195,350

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

**Note 7 – Risk Management**

**Public Entities Pool of Ohio**

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

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment Breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31 (most recent information available):

	2019
Cash and Investments	\$ 38,432,610
Actuarial Liabilities	\$ 14,705,917

**Buckeye Ohio Risk Management Association**

The Buckeye Ohio Risk Management Association Pool, Inc (BORMA) Benefits Pool (the Pool) is for employee benefits and includes life insurance, accidental death and dismemberment insurance, health insurance, and prescription drug insurance. Plan options and levels of coverage are established independently by each Pool member for its employees. Premiums paid into the Pool by each member are based on the level of coverage within each respective plan. The Pool includes twenty-one public entities in the State of Ohio. Member contributions are calculated annually to produce a sufficient sum of money within the Pool to fund administrative expenses and to create reserves for claims.

As of August 31, 2020, the Pool had total reported assets of \$9,173,996 (the latest information available). The 2020 monthly premiums paid by the Village per covered employee were \$2,470 for family coverage, \$1,647 for two party coverage with spouse, \$1,482 for two-party coverage with child, and \$823 for single coverage. The monthly life insurance premium was \$2.22. The cost of coverage for premiums is paid out

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of each respective fund and division that pays the salary of the individuals covered under the plan. Employees contribute a portion of each monthly premium through payroll withholding. During 2020, the Village paid \$645,174 into the Pool for all covered benefits. The amount of risk retained by the Pool in 2020 was \$275,000 per individual; coverage in excess of this amount was provided by Sun Life Financial.

BORMA Benefits Pool has the ability to require member entities to make supplemental payments in the event reserves are not adequate to cover claims. The probability of this occurring is considered remote due to the adequacy of the reserves and premium levels. Therefore, no additional amounts have been disclosed in the basic financial statements. Audited financial statements are maintained by the pool.

The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs to provide coverage to employees for job related injuries.

**Note 8 – Defined Benefit Pension Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

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<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

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

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Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2020 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

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

The Village’s contractually required contribution was \$167,566 for the year 2020.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Village full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F ACFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percentage increase, if any, in the consumer price index over the 12 month period ending on September 30<sup>th</sup> of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3 percent of their base pension or disability benefit.

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

	Police
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	19.50 %
Employee	12.25 %
<b>2020 Actual Contribution Rates</b>	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50
	19.50 %
Total Employer	19.50 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OP&F was \$119,837 for 2020.

**Note 9 - Defined Benefit OPEB Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS ACFR referenced below for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, State and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village had no contractually required contribution 2020.

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***Ohio Police and Fire Pension Fund***

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contractually required contribution to OP&F was \$3,154 for 2020.

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**Note 10 – Long Term Debt and Leases**

***Debt***

Debt outstanding at December 31, 2020 was as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
USDA Bonds	2.375%	\$ 868,900	April 1, 2027
OWDA Loan - WWTP Improvements	1.000%	2,240,415	January 1, 2027
OWDA Loan - Storm Sewer	1.000%	107,311	January 1, 2031
OWDA Loan - WWTP Improvements- Water Pollution Control	0.980%	10,889,356	January 1, 2047
OPWC Loan - Culvert Replacement	0.000%	57,774	January 20, 2026
2015 Revenue Bonds - Municipal Utilities Facility	2.625%	740,000	October 1, 2024
AMP Loan - Electric Improvements	1.600%	5,500,000	December 31, 2034
AMI Loan - Automated Meter Reading System	3.720%	809,326	July 25, 2025

The Village's long-term debt activity for the year ended December 31, 2020 was as follows:

	<u>Balance 12/31/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/30/2020</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
<i>Direct Placement:</i>					
USDA Bonds	\$ 651,600	\$ 0	\$ (86,900)	\$ 564,700	\$ 86,900
<i>Other Long-term Obligations:</i>					
Lease Purchase	6,780	141,118	(52,595)	95,303	48,168
<b>Total Governmental Activities</b>	<u>\$ 658,380</u>	<u>\$ 141,118</u>	<u>\$ (139,495)</u>	<u>\$ 660,003</u>	<u>\$ 135,068</u>
<b>Business-Type Activities</b>					
<i>Direct Borrowings:</i>					
OWDA Loan - WWTP Improvements	\$ 835,456	\$ 0	\$ (115,809)	\$ 719,647	\$ 116,970
OWDA Loan - Storm Sewer	61,659	0	(5,330)	56,329	5,383
OWDA Loan - WWTP Improvement- Water Pollution Control	2,269,463	8,619,893	0	10,889,356	0
OPWC Loan - Culvert Replacement	34,666	0	0	34,666	5,777
AMI Loan	208,475	600,852	(49,240)	760,087	164,767
<b>Total Direct Borrowing</b>	<u>3,409,719</u>	<u>9,220,745</u>	<u>(170,379)</u>	<u>12,460,085</u>	<u>292,897</u>
<i>Direct Placement:</i>					
Revenue Bonds - 2015 Municipal Utilities Facility	370,000	0	(74,000)	296,000	74,000
<i>Other Long-term Obligations:</i>					
Lease Purchase	23,419	0	(10,204)	13,215	13,215
<b>Total Business-Type Activities</b>	<u>\$ 3,803,138</u>	<u>\$ 9,220,745</u>	<u>\$ (254,583)</u>	<u>\$ 12,769,300</u>	<u>\$ 380,112</u>

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***Governmental Activities:***

***Direct Placement***

On December 13, 2016 the Village issued \$868,900 in bonds for the purchase of a fire truck. The bonds will be repaid in annual installments of \$86,900, over a twenty year period from the general fund.

***Business-type Activities:***

***Direct Borrowings***

The Village has pledged future water, sewer, electric and storm water receipts, net of specified operating disbursements to repay \$17,145,046 of Ohio Public Works Commission (OPWC) loans, Ohio Water Development Authority (OWDA) loans, revenue bonds, an AMI loan, and an AMP note. Annual principal and interest payments, as a percentage of net customer receipts, on the loans are expected to be similar over the term of the loans as in the current year, which were 17.1 percent. The total principal and interest remaining to be paid on the loans is \$17,031,084. Principal and interest paid for the current year and total net receipts were \$213,681 and \$4,834,271, respectively.

During 2005, the Village entered into a loan agreement with OWDA in the amount of \$2,240,415. The proceeds of this loan were used for wastewater treatment plant improvements. The Village began repaying the loan in 2007.

The Ohio Water Development Authority (OWDA) approved a \$228,889 loan to the Village on January 7, 2010 for improvements to the Village's storm sewer system. Of this amount, \$121,578 in principal was forgiven through assistance from funding through the American Recovery and Reinvestment Act of 2009 (ARRA) which left \$107,311 to be financed by the Village.

During 2019, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA) in the amount of \$10,889,356 for Waste Water Treatment Plant water pollution control. As of December 31, 2020 the Village has received all of the proceeds. No amortization schedule is available until the loan is fully disbursed; therefore it is not included below.

In the event of default, as defined by each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the Village to pay any fines or penalties incurred with interest.

The Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) in 2015 for the purpose of a culvert replacement project. This loan is being repaid in semi-annual installments beginning in July of 2016. The debt will be repaid over a ten year period. In the event of default, as defined by the loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or require the Village fiscal officer to pay the amounts due from funds appropriated to the Villages's undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

On September 25, 2018, the Village entered into a loan agreement with the First Citizens Bank in the amount of \$809,326 for the purchase of an Automated Meter Information (AMI) system for both water and electric meters.

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**Direct Placement**

On April 29, 2015 the Village issued revenue bonds to purchase a building. The building will house the Village's public works and electric departments. These bonds are to be repaid in annual installments, over a nine year period.

Principal and interest requirements to retire debt outstanding at December 31, 2020, were as follows:

Year	USDA Bonds		Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 86,900	\$ 12,896	\$ 74,000	\$ 7,878	\$ 122,353	\$ 7,455
2022	86,900	10,833	74,000	5,908	123,580	6,228
2023	86,900	8,768	74,000	3,939	124,819	4,990
2024	86,900	6,705	74,000	1,974	126,070	3,738
2025	86,900	4,641	0	0	127,334	2,473
2026-2030	130,200	3,092	0	0	151,820	1,722
2031	0	0	0	0	0	0
Total	<u>\$ 564,700</u>	<u>\$ 46,935</u>	<u>\$ 296,000</u>	<u>\$ 19,699</u>	<u>\$ 775,976</u>	<u>\$ 26,606</u>

Year	OPWC Loans	AMI Loan		Total	
	Principal	Principal	Interest	Principal	Interest
2021	\$ 5,777	\$ 164,767	\$ 25,579	\$ 453,797	\$ 53,808
2022	5,778	158,144	19,734	448,402	42,703
2023	5,778	164,213	13,666	455,710	31,363
2024	5,778	170,489	7,390	463,237	19,807
2025	5,778	102,472	1,288	322,484	8,402
2026-2030	5,777	0	0	287,797	4,814
2031	0	0	0	0	0
Total	<u>\$ 34,666</u>	<u>\$ 760,085</u>	<u>\$ 67,657</u>	<u>\$ 2,431,427</u>	<u>\$ 160,897</u>

**Short Term Note**

On December 5, 2019, the Village entered into a note agreement for \$4,585,000 with American Municipal Power (AMP) to refinance the 2018 AMP Note. The note will be repaid with the Village's net receipts from the electric fund. The note matured on December 3, 2020.

On November 24, 2020, the Village entered into a note agreement for \$4,275,000 with American Municipal Power (AMP) to refinance the 2019 AMP Note. The note will be repaid with the Village's net receipts from the electric fund. The note matures on December 1, 2021.

	Balance 12/31/2019	Additions	Reductions	Balance 12/31/2020	Due Within One Year
<b>Business-Type Activities</b>					
AMP Note Payable 2019	\$4,585,000	\$ 0	\$(4,585,000)	\$ 0	\$ 0
AMP Note Payable 2020	0	4,275,000	0	4,275,000	4,275,000
<b>Total Short-Term Notes</b>	<u>\$4,585,000</u>	<u>\$4,275,000</u>	<u>\$(4,585,000)</u>	<u>\$4,275,000</u>	<u>\$4,275,000</u>

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
For the Year Ended December 31, 2020  
(Continued)

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***Lease Purchase***

On April 15, 2020, the Village entered into a lease for a new plow truck and spreader. On December 8, 2017 the Village entered into a lease for new Ford F-450 truck.

Outstanding lease payments are as follows:

Year	Governmental Activities	Business-Type Activities
2021	\$ 50,992	\$ 13,818
2022	48,430	0
	99,422	13,818
Less: Interest	4,119	603
Total	\$ 95,303	\$ 13,215

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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 Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
For the Year Ended December 31, 2020  
(Continued)

**Note 12 – Fund Balance**

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

	General	Other Governmental Funds	Total
Restricted for:			
Reinvestment and Enterprise Zone	\$ 0	\$ 7,250	\$ 7,250
Road Improvements	0	251,257	251,257
Cemetery	0	117,721	117,721
Police Operations	0	22,205	22,205
Other Purposes	0	9,001	9,001
<b>Total Restricted</b>	<b>0</b>	<b>407,434</b>	<b>407,434</b>
Committed for:			
Capital Outlay	0	250,364	250,364
Recreation	0	316,035	316,035
Police Operations	0	17,242	17,242
<b>Total Committed</b>	<b>0</b>	<b>583,641</b>	<b>583,641</b>
Assigned for:			
Encumbrances	28,499	0	28,499
Subsequent Year Appropriations	200,000	0	200,000
<b>Total Assigned</b>	<b>228,499</b>	<b>0</b>	<b>228,499</b>
Unassigned	212,353	0	212,353
<b>Total Fund Balance</b>	<b>\$ 440,852</b>	<b>\$ 991,075</b>	<b>\$ 1,431,927</b>

**Note 13 – Other Commitments and Contingencies**

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village’s project share was 2,000 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.26 percent project share. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP’s pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
(Continued)

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participants with an estimate of their liability. The Village's estimated share of the impaired costs at March 31, 2014 was \$346,050. The Village received a credit of \$132,716 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$90,450 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU), leaving an estimated net impaired cost balance of \$122,884. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014 the Village has made payments of \$130,761 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$4,224 and interest expense incurred on AMP's line-of-credit of \$845, resulting in a net credit balance for impaired cost estimate at December 31, 2020 of \$2,808. The Village has opted to leave the credit balance with AMP to offset any additional AMPGS Project costs in the future. The Village does have a potential PHFU credit of \$10,367 resulting in a net credit balance for total potential liability of \$13,175, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The Village intends to recover these costs and repay AMP over the next year through a power cost adjustment.

**Note 15 – Interfund**

During 2020, the general fund transferred \$101,860 to the fire truck bond retirement fund for principal and interest payments. The water, sewer, electric and storm water utility funds transferred \$25,162, \$25,162, \$25,162, and \$8,388, respectively, to the utility bond debt service fund for principal and interest payments.

**Note 16 – Tax Abatements**

The Village of Carey has entered into tax abatement agreements with Continental Structural Plastics (CSP) of Ohio, Hanon Systems USA, and Wagner Ford, LLC for the abatement of real property taxes. Under the agreements established by Ohio Revised Code Sections 5709.632 and 3735.65 through 3735.70, the businesses agree to bring jobs and economic development into the Village in exchange for forgone property tax receipts.

Under the agreements, the Village's property tax receipts were abated by \$12,980.

**Village of Carey**  
**Wyandot County, Ohio**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*  
(Continued)

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**Note 17 – 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. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. 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.

During 2020, the Village received \$344,895 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

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

Village of Carey  
Wyandot County  
127 North Vance Street  
Carey, Ohio 43316

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, of the Village of Carey, Wyandot County (the Village) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 6, 2022. 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 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of 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 that are required to be reported 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.



***Charles E. Harris & Associates, Inc.***  
May 6, 2022

**VILLAGE OF CAREY  
WYANDOT COUNTY  
SCHEDULE OF FINDINGS  
December 31, 2021 and 2020**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2021-001 – Ohio Revised Code Noncompliance**

Ohio Rev. Code § 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Special Revenue Coronavirus Relief Fund and American Rescue Plan Act Fund had expenditures in excess of Estimated Resources of \$9,000 and \$186,143, respectively in 2021.

The Fiscal Officer and Village Council members should frequently review appropriations and estimated resources. In addition, appropriation amendments or estimated resources should be made, if possible, to reduce the possibility of appropriations exceeding estimated resources.

**Management Response:**

See Corrective Action Plan

**VILLAGE OF CAREY  
WYANDOT COUNTY**

**CORRECTIVE ACTION PLAN  
For the Years Ended December 31, 2021 and 2020  
Prepared by Management**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2021-001	Aware of the issue. Every month review the appropriation report to the current certificate for accuracy.	Immediately	Laura Ewing, Fiscal Officer

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF CAREY**

**WYANDOT 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 7/5/2022**

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

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