



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VILLAGE OF GLENDALE  
HAMILTON COUNTY  
DECEMBER 31, 2020 AND 2019**

**TABLE OF CONTENTS**

TITLE	PAGE
Independent Auditor’s Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2020 .....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type For the Year Ended December 31, 2020 .....	4
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) – Fiduciary Fund Type For the Year Ended December 31, 2020 .....	5
Notes to the Financial Statements For the Year Ended December 31, 2020 .....	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2019 .....	17
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 2019 .....	18
Notes to the Financial Statements For the Year Ended December 31, 2019 .....	19
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	29
Schedule of Findings.....	31
Summary Schedule of Prior Audit Findings (Prepared by Management).....	35

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



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

## INDEPENDENT AUDITOR'S REPORT

Village of Glendale  
Hamilton County  
30 Village Square  
Glendale, Ohio 45246

To the Village Council:

### ***Report on the Financial Statements***

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

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

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

### ***Auditor's Responsibility***

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

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

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

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

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

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

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

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

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

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

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

***Emphasis of Matter***

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may 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 January 10, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio  
January 10, 2022

**Village of Glendale, Ohio***Hamilton County**Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2020*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$1,921,698	\$31,187	\$0	\$1,952,885
Intergovernmental	452,510	304,111	382,349	1,138,970
Charges for Services	236,659	14,811	0	251,470
Fines, Licenses and Permits	47,598	28,410	0	76,008
Earnings on Investments	978	53	221,166	222,197
Miscellaneous	75	302,836	0	302,911
<i>Total Cash Receipts</i>	<u>2,659,518</u>	<u>681,408</u>	<u>603,515</u>	<u>3,944,441</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	1,140,818	243,314	0	1,384,132
Public Health Services	6,808	131,445	0	138,253
Leisure Time Activities	14,380	29,957	0	44,337
Basic Utility Services	404,259	0	0	404,259
Transportation	244,775	344,857	0	589,632
General Government	471,801	18,181	0	489,982
Capital Outlay	0	271,658	634,007	905,665
<i>Total Cash Disbursements</i>	<u>2,282,841</u>	<u>1,039,412</u>	<u>634,007</u>	<u>3,956,260</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>376,677</u>	<u>(358,004)</u>	<u>(30,492)</u>	<u>(11,819)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	500	0	0	500
Other Financing Sources	9,278	0	2,136	11,414
Other Financing Uses	0	0	(434)	(434)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>9,778</u>	<u>0</u>	<u>1,702</u>	<u>11,480</u>
<i>Net Change in Fund Cash Balances</i>	386,455	(358,004)	(28,790)	(339)
<i>Fund Cash Balances, January 1</i>	<u>999,441</u>	<u>984,812</u>	<u>8,704,965</u>	<u>10,689,218</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,385,896</u></u>	<u><u>\$626,808</u></u>	<u><u>\$8,676,175</u></u>	<u><u>\$10,688,879</u></u>

*See accompanying notes to the basic financial statements*

**Village of Glendale, Ohio**  
*Hamilton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2020*

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$1,419,350
Fines, Licenses and Permits	21,464
<i>Total Operating Cash Receipts</i>	<u>1,440,814</u>
<b>Operating Cash Disbursements</b>	
Personal Services	377,628
Employee Fringe Benefits	69,884
Contractual Services	300,959
Supplies and Materials	45,725
Other (Utility Distr. System)	79,514
<i>Total Operating Cash Disbursements</i>	<u>873,710</u>
<i>Operating Income (Loss)</i>	<u>567,104</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Special Assessments	459
Earnings on Investments (proprietary funds only)	5,674
Other Debt Proceeds	1,029,932
Sale of Capital Assets	500
Capital Outlay	(1,165,342)
Principal Retirement	(412,909)
Interest and Other Fiscal Charges	(92,984)
Other Financing Sources	7,300
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(627,370)</u>
<i>Net Change in Fund Cash Balances</i>	(60,266)
<i>Fund Cash Balances, January 1</i>	<u>1,231,897</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,171,631</u></u>

*See accompanying notes to the basic financial statements*

**Village of Glendale, Ohio**  
*Hamilton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2020*

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
	<u>Other</u>
	<u>Custodial</u>
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$58,340
<i>Total Additions</i>	<u>58,340</u>
<b>Deductions</b>	
Distributions to Other Governments	17,748
Distributions to Other Funds (Primary Gov't)	47,053
Other Distributions	546
<i>Total Deductions</i>	<u>65,347</u>
<i>Net Change in Fund Balances</i>	(7,007)
<i>Fund Cash Balances, January 1</i>	<u>32,671</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$25,664</u></u>

*See accompanying notes to the basic financial statements*

**This page intentionally left blank.**

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

---

**Note 1 - Reporting Entity**

The Village of Glendale (the Village), Hamilton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, general governmental services, street maintenance and repair, park operations, police services and fire protection services. The Village appropriates general fund money to support a volunteer fire department.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Village participates in the Public Entities Pool, a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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

***Basis of Presentation***

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

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

***HCSWD Projects Glendale Fund*** The Hamilton County Storm Water District (HCSWD) Fund account for and reports receipts and disbursements from awarded grants from Hamilton County Storm Water District for designated projects in the Village.

***Police Support and SRO Fund*** The Police Support and SRO Fund accounts for and reports receipts and disbursements of a grant from a private foundation with the specific purpose of funding a school resource officer/police officer of the Village.

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

---

**Coronavirus Relief Fund** The Coronavirus Relief Fund, established July 30, 2020 by Ordinance 2020-25, was established with the specific purpose of allowing the receipt and disbursement of CARES Act and Coronavirus Relief Fund payments pursuant to Ohio HB 481 and consistent with the requirements of Section 5001 of the CARES Act as described in 42 U.S.C. 601(d).

**Community Fund** The Community Fund accounts for and reports receipts and disbursements from donations to the Quiet Zone Project, with the specific purpose of funding design and construction of a quiet zone in the Village. The Community Fund also accounts for and reports receipts and disbursements for the yearly Glendale Car Show and other public civic events provided by the Village.

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

**Village Plan and General Improvement Fund** The Village Plan and General Improvement Fund accounts for and reports proceeds and donations to fund building improvements and equipment purchases.

**2017 MRI Sharon Road Bridge Fund** This fund accounts for receipts and expenditures related to the replacement of the replacement of the Sharon Road bridge. Primary funding was collected through the Hamilton County Municipal Road Fund.

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

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

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

**Fiduciary Funds** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's Court receipts and disbursements.

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

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of

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

---

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

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

***Budgetary Process***

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

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

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

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

A summary of 2020 budgetary activity appears in Note 3.

***Deposits and Investments***

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

The Village values U.S. Treasury Notes, Certificates of Deposits and bonds at cost. Money market mutual funds are recorded at share values.

***Capital Assets***

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

***Accumulated Leave***

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

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

---

***Fund Balance***

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

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

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

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

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

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

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

**Note 3 - Budgetary Activity**

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

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

2020 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,571,394	\$2,669,296	\$97,902
Special Revenue	545,095	681,408	136,313
Capital Projects	665,330	605,651	(59,679)
Enterprise	3,372,637	2,484,679	(887,958)
Fiduciary	5,000	58,340	53,340
Total	<u>\$7,159,456</u>	<u>\$6,499,374</u>	<u>(\$660,082)</u>

2020 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,571,781	\$2,380,390	\$191,391
Special Revenue	1,406,823	1,119,920	286,903
Capital Projects	777,237	702,484	74,753
Enterprise	3,693,437	2,679,184	1,014,253
Fiduciary	0	65,347	(65,347)
Total	<u>\$8,449,278</u>	<u>\$6,947,325</u>	<u>\$1,501,953</u>

**Note 4 – Deposits and Investments**

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

	2020
Demand deposits	<u>\$3,781,493</u>
Certificates of deposit	<u>6,991,566</u>
Total deposits	<u>10,773,059</u>
Money Market/Cash Balance	122,611
Commercial Paper	<u>990,504</u>
Total investments	<u>1,113,115</u>
Total deposits and investments	<u>\$11,886,174</u>

***Deposits***

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

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

---

***Investments***

The Federal Reserve holds the Village's U.S. Treasury Notes in book-entry form by, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities.

**Note 5 – Taxes**

***Property Taxes***

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

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

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

**Note 6 - Risk Management**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty and Property Coverage**

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2019, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**Financial Position**

PEP's financial statements (audited by other auditors) conform with generally accepted accounting

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

---

principles, and reported the following assets, liabilities and net position at December 31.

	<b><u>2019</u></b>
Cash and investments	\$38,432,610
Actuarial liabilities	\$14,705,917

At December 31, 2019 the liabilities above include approximately \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$11.7 million of unpaid claims to be billed. The Pool's membership increased to 538 members in 2019. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the Village's share of these unpaid claims collectible in future years is approximately \$44,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<b><u>2020 Contributions to PEP</u></b>
<b><u>\$55,608</u></b>

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

The time period of the information reported is the most recent information available at the time the footnotes were prepared.

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

***Ohio Police and Fire Retirement System***

The Village's full-time Police Officers and certified full time Fire Chief belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code

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

prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members’ wages and 24% of full-time fire fighters’ wages, respectively. The Village has paid all contributions required through December 31, 2019.

***Social Security***

The Glendale Volunteer Fire Department employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2020.

**Note 8 - Postemployment Benefits**

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

**Note 9 – Debt**

	Principal	Interest Rate
Ohio Water Development Authority Loan #4644	\$2,836,071	2.75%
Ohio Water Development Authority Loan #6546	219,088	3.74%
Ohio Water Development Authority Loan #8381	131,069	3.09%
Ohio Water Development Authority Loan #8896	1,233,621	1.37%
Ohio Public Works Commission Loan #CB28R	461,373	0.00%
Ohio Public Works Commission Loan #CB08L	254,624	0.00%
Ohio Public Works Commission Loan #CB11K	150,000	0.00%
	\$5,285,846	

The Village was awarded an Ohio Water Development Loan #4644 in 2009 in the amount of \$6,081,480, for wastewater treatment plant improvements. The loan bears an interest rate of 2.75%, with the final semi-annual payment due July 2028.

The Village was awarded an Ohio Water Development Loan #6546 in 2013 in the amount of \$283,320 for wastewater treatment plant improvements. The loan bears an interest rate of 3.74%, with the final semi-annual payment due July 2034.

The Village was awarded an Ohio Water Development Loan #8381 in the amount of \$150,842.60 for water distribution system improvements. The loan bears an interest rate of 3.09%, with the final semi-annual

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

---

payment due July 2050. Principal amount outstanding at December 31, 2020 is \$131,069.

The Village was awarded an Ohio Water Development Authority Loan #8896 in the amount of \$2,085,283 for the replacement of the Sharon Road water main & other water distribution system improvements. The loan bears an interest rate of 1.370%, with the first payment due July 2022 and the final payment due July 2042. Payments are semi-annual.

The Village was awarded an Ohio Public Works Commission Loan #CB11K in 2007 in the amount of \$750,000 for water treatment plant improvements. The loan bears an interest rate of 0.0%, with the final semi-annual payment due January 2022.

The Village was awarded an Ohio Public Works Commission Loan #CB08L in the amount of \$727,496 for water treatment plant improvements. The loan bears an interest rate of 0.0%, with the final semi-annual payment due July 2023.

The Village was awarded an Ohio Public Works Commission Loan #CB28R in 2014 in the amount of \$576,717 for wastewater treatment plant improvements. The loan bears an interest rate of 0.0%, with the final semi-annual payment due January 2036.

***Amortization***

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

Year Ending December 31:	ODWA Loans	OPWC Loans	Total
2021	\$417,601	\$176,586	\$594,187
2022	417,601	176,585	594,186
2023	417,601	101,586	519,187
2024	417,601	65,211	482,812
2025	417,601	28,836	446,437
2026-2030	3,055,339	144,179	3,199,518
2031-2035	70,853	144,179	215,032
2036-2040	0	28,835	28,835
Total	\$5,214,197	\$865,997	\$6,080,194

**Note 10 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

General Fund	\$55,835
Special Revenue Funds	80,508
Capital Project Funds	68,043
Enterprise Funds	134,240

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

---

**Note 11 – Contingent Liabilities**

On December 12, 2012, the Village signed a document captioned Director’s Final Findings and Orders with the Ohio Department of Environmental Protection (OEPA) Order. The OEPA Order sought compliance with the Village’s National Pollution Discharge Elimination System (NPDES) Permit. The Village is in the process of complying with the order and is awaiting final approval from the OEPA. The Village believes that any future actions to achieve compliance will not result in additional material liability to the Village.

**Note 12 – 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 CARES Act funding. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

During 2020, the Village received \$189,615 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

**Village of Glendale, Ohio**

*Hamilton County*

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)*

*All Governmental Fund Types*

*For the Year Ended December 31, 2019*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$1,829,899	\$26,074	\$0	\$1,855,973
Intergovernmental	320,989	153,009	0	473,998
Charges for Services	149,844	24,631	0	174,475
Fines, Licenses and Permits	56,603	15,854	0	72,457
Earnings on Investments	4,504	2,244	239,643	246,391
Miscellaneous	1,000	147,872	0	148,872
<i>Total Cash Receipts</i>	<u>2,362,839</u>	<u>369,684</u>	<u>239,643</u>	<u>2,972,166</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	1,157,336	128,042	0	1,285,378
Public Health Services	6,577	0	0	6,577
Leisure Time Activities	17,718	18,762	0	36,480
Basic Utility Services	404,806	0	0	404,806
Transportation	239,070	31,777	0	270,847
General Government	459,627	27,808	0	487,435
Capital Outlay	0	229,429	830,553	1,059,982
<i>Total Cash Disbursements</i>	<u>2,285,134</u>	<u>435,818</u>	<u>830,553</u>	<u>3,551,505</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>77,705</u>	<u>(66,134)</u>	<u>(590,910)</u>	<u>(579,339)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	4,029	0	0	4,029
Transfers In	0	0	77,000	77,000
Transfers Out	(77,000)	0	0	(77,000)
Other Financing Sources	26,172	0	4,052	30,224
Other Financing Uses	0	0	(1,350)	(1,350)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(46,799)</u>	<u>0</u>	<u>79,702</u>	<u>32,903</u>
<i>Net Change in Fund Cash Balances</i>	30,906	(66,134)	(511,208)	(546,436)
<i>Fund Cash Balances, January 1</i>	<u>968,535</u>	<u>1,050,946</u>	<u>9,216,173</u>	<u>11,235,654</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	984,812	0	984,812
Committed	0	0	102,500	102,500
Assigned	57,290	0	8,602,465	8,659,755
Unassigned	942,151	0	0	942,151
<i>Fund Cash Balances, December 31</i>	<u>\$999,441</u>	<u>\$984,812</u>	<u>\$8,704,965</u>	<u>\$10,689,218</u>

*See accompanying notes to the basic financial statements*

**Village of Glendale, Ohio**

*Hamilton County*

*Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)*

*All Proprietary and Fiduciary Fund Types*

*For the Year Ended December 31, 2019*

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals</u>
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$1,258,186	\$0	\$1,258,186
Fines, Licenses and Permits	58,661	0	58,661
<i>Total Operating Cash Receipts</i>	<u>1,316,847</u>	<u>0</u>	<u>1,316,847</u>
<b>Operating Cash Disbursements</b>			
Personal Services	316,589	0	316,589
Employee Fringe Benefits	56,895	0	56,895
Contractual Services	256,184	0	256,184
Supplies and Materials	52,168	0	52,168
Other (Utility Distribution)	120,100	0	120,100
<i>Total Operating Cash Disbursements</i>	<u>801,936</u>	<u>0</u>	<u>801,936</u>
<i>Operating Income (Loss)</i>	<u>514,911</u>	<u>0</u>	<u>514,911</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Special Assessments	1,950	0	1,950
Earnings on Investments (proprietary funds only)	24,622	0	24,622
Other Debt Proceeds	320,895	0	320,895
Capital Outlay	(326,230)	0	(326,230)
Principal Retirement	(492,345)	0	(492,345)
Interest and Other Fiscal Charges	(101,841)	0	(101,841)
Other Non-Operating Receipts	0	78,668	78,668
Other Non-Operating Disbursements	0	(79,377)	(79,377)
Other Financing Sources	2,461	0	2,461
Other Financing Uses	(828)	0	(828)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(571,316)</u>	<u>(709)</u>	<u>(572,025)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(56,405)</u>	<u>(709)</u>	<u>(57,114)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,288,302</u>	<u>33,380</u>	<u>1,321,682</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,231,897</u>	<u>\$32,671</u>	<u>\$1,264,568</u>

*See accompanying notes to the basic financial statements*

**Village of Glendale, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 1 - Reporting Entity**

The Village of Glendale (the Village), Hamilton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, general governmental services, street maintenance and repair, park operations, police services and fire protection services. The Village appropriates general fund money to support a volunteer fire department.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Village participates in the Public Entities Pool a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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

***Basis of Presentation***

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

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

***HCSWD Projects Glendale Fund*** The Hamilton County Storm Water District (HCSWD) fund accounts for and reports receipts and disbursements from awarded grants from Hamilton County Storm Water District for designated projects in the Village.

***Police Support and SRO Fund*** The Police Support and SRO fund accounts for and reports receipts and disbursements of a grant from a private foundation with the specific purpose of funding a school resource officer/police officer of the Village.

**Village of Glendale, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Community Fund** The Community fund accounts for and reports receipts and disbursements from donations to the Quiet Zone Project, with the specific purpose of funding design and construction of a quiet zone in the Village of Glendale. The Community Fund also accounts for and reports receipts and disbursements for the yearly Glendale Car Show and other public civic events provided by the Village.

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

**Village Plan and General Improvement Fund** The Village Plan and General Improvement fund accounts for and reports proceeds and donations to fund building improvements and equipment purchases.

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

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

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

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

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

**Village of Glendale, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

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

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

A summary of 2019 budgetary activity appears in Note 3.

**Deposits and Investments**

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

The Village values U.S. Treasury Notes, Certificates of Deposits and bonds at cost. Money market mutual funds are recorded at share values.

**Capital Assets**

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

**Accumulated Leave**

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

**Fund Balance**

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

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

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

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

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all

**Village of Glendale, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute. Outstanding Encumbrances at year end are assigned.

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

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

**Note 3 - Budgetary Activity**

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,330,456	\$2,393,040	\$62,584
Special Revenue	391,636	369,684	(21,952)
Capital Projects	148,945	320,695	171,750
Enterprise	1,682,855	1,666,775	(16,080)
Fiduciary	5,000	78,668	73,668
Total	\$4,558,892	\$4,828,862	\$269,970

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,631,475	\$2,419,424	\$212,051
Special Revenue	1,178,329	546,402	631,927
Capital Projects	1,011,396	912,139	99,257
Enterprise	2,131,809	1,834,795	297,014
Fiduciary	5,976	79,377	(73,401)
Total	\$6,958,985	\$5,792,137	\$1,166,848

**Note 4 – Deposits and Investments**

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

**Village of Glendale, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

	2019
Demand deposits	\$2,291,476
Certificates of deposit	25,000
Total deposits	2,316,476
U.S. Treasury Notes	499,814
Certificates of deposit	9,137,496
Total investments	9,637,310
Total carrying amount of deposits and investments	\$11,953,786

***Deposits***

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

***Investments***

The Federal Reserve holds the Village’s U.S. Treasury Notes in book-entry form by, in the name of the Village’s financial institution. The financial institution maintains records identifying the Village as owner of these securities.

**Note 5 – Taxes**

***Property Taxes***

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

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

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

**Note 6 - Risk Management**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control,

**Village of Glendale, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2018, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31.

	<u>2018</u>
Cash and investments	\$35,381,789
Actuarial liabilities	\$12,965,015

At December 31, 2018 the liabilities above include approximately \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$11.7 million of unpaid claims to be billed. The Pool's membership increased to 538 members in 2018. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the Government's share of these unpaid claims collectible in future years is approximately \$44,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<b><u>2019 Contributions to PEP</u></b> <b><u>\$55,608.</u></b>
--

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

The time period of the information reported is the most recent information available at the time the footnotes were prepared.

**Village of Glendale, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Ohio Police and Fire Retirement System***

The Village's full-time Police Officers and certified full time Fire Chief belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. The Village has paid all contributions required through December 31, 2019.

***Social Security***

The Glendale Volunteer Fire Department employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**Note 8 - Postemployment Benefits**

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

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

**Village of Glendale, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 9 – Debt**

Debt outstanding as of December 31, 2019 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan #4644	\$3,148,966	2.75%
Ohio Water Development Authority Loan #6546	230,809	3.74%
Ohio Water Development Authority Loan #8381	129,111	3.09%
Ohio Water Development Authority Loan #8476	195,428	3.34%
Ohio Public Works Commission Loan #CB28R	475,791	0.00%
Ohio Public Works Commission Loan #CB08L	290,998	0.00%
Ohio Public Works Commission Loan #CB11K	187,500	0.00%
	\$4,658,603	

The Village was awarded an Ohio Water Development Loan #4644 in 2009 in the amount of \$6,081,480, for wastewater treatment plant improvements. The loan bears an interest rate of 2.75%, with the final semi-annual payment due July 2028.

The Village was awarded an Ohio Water Development Loan #6546 in 2013 in the amount of \$283,320 for wastewater treatment plant improvements. The loan bears an interest rate of 3.74%, with the final semi-annual payment due July 2034.

The Village was awarded an Ohio Water Development Loan #8381 in the amount of \$150,842.60 for water distribution system improvements. The loan bears an interest rate of 3.09%, with the final semi-annual payment due July 2050. Principal amount outstanding at December 31, 2019 is \$129,111.

The Village was awarded an Ohio Water Development Loan #8476 in the amount of \$213,540 for water distribution system improvements – design. The loan bears an interest rate of 3.34%, with the final semi-annual payment due January 2025. Principal amount outstanding at December 31, 2019 was \$195,428.

The Village was awarded an Ohio Public Works Commission Loan #CB11K in 2007 in the amount of \$750,000 for water treatment plant improvements. The loan bears an interest rate of 0.0%, with the final semi-annual payment due January 2022.

The Village was awarded an Ohio Public Works Commission Loan #CB08L in the amount of \$727,496 for water treatment plant improvements. The loan bears an interest rate of 0.0%, with the final semi-annual payment due July 2023.

The Village was awarded an Ohio Public Works Commission Loan #CB28R in 2014 in the amount of \$576,717 for wastewater treatment plant improvements. The loan bears an interest rate of 0.0%, with the final semi-annual payment due January 2036.

***Amortization***

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

**Village of Glendale, Ohio**  
*Hamilton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

Year Ending December 31:	ODWA Loans	OPWC Loans	Total
2020	\$417,601	\$176,585	\$594,186
2021	417,601	176,586	594,187
2022	417,601	139,085	556,686
2023	417,601	101,586	519,187
2024	417,601	28,836	446,437
2025-2029	1,690,649	144,179	1,834,828
2030-2034	415,637	144,179	559,816
2035-2039	0	43,253	43,253
Total	<u>\$4,194,291</u>	<u>\$954,289</u>	<u>\$5,148,580</u>

**Note 10 – Construction and Contractual Commitments**

The Village authorized to enter into contract with Perkins Carmack Construction LLC, in the amount of \$698,745 for the design build of the Glendale Fire Department Fire Station Addition, 80 E. Sharon Avenue, after being publicly bid July, 2018. The amount paid in 2019 for this project was \$606,052.

This project was completed in 2019 with a total amount paid to Perkins Carmack Construction L.L.C. \$698,740.

**Note 11 – Contingent Liabilities**

On December 12, 2012, the Village signed a document captioned Director’s Final Findings and Orders with the Ohio Department of Environmental Protection (OEPA) Order. The OEPA Order sought compliance with the Village’s National Pollution Discharge Elimination System (NPDES) Permit. The Village is in the process of complying with the order and is awaiting final approval from the OEPA. The Village believes that any future actions to achieve compliance will not result in additional material liability to the Village.

**Note 12 – COVID-19**

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

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



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

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

Village of Glendale  
Hamilton County  
30 Village Square  
Glendale, Ohio 45246

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and the related notes of the Village of Glendale, Hamilton County and have issued our report thereon dated January 10, 2022, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2020-001 and 2020-002 to be material weaknesses.

***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
January 10, 2022

**VILLAGE OF GLENDALE  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2020-001**

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, *Term of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to deficiencies in the Village's internal controls over financial reporting, the following conditions related to the Village's financial statements and accounting records were identified:

- The Village did not report the Mayor's Court receipts and disbursements in the 2019 and 2020 financial statements. For 2019, the Mayor's Court Custodial Fund had Non-Operating cash receipts of \$77,691 and Non-Operating cash disbursements of \$79,377. For 2020, the Mayor's Court Custodial Fund had Fines, Licenses and Permits for Distribution additions of \$58,340 and Distributions to Other Governments, Distributions to Other Funds (Primary Gov't) and Other Distributions deductions of \$17,748, \$47,053 and \$546, respectively.
- Miscellaneous receipts from donations totaling \$62,816 in 2020 and \$100,000 in 2019 in the Special Revenue Funds were incorrectly posted to Intergovernmental receipts.
- Intergovernmental receipts and Security of Persons and Property disbursements for the Coronavirus Relief Fund totaling \$46,277 each in 2020 in the Special Revenue Funds were incorrectly posted to the General Fund.
- Intergovernmental receipts from the Ohio Bureau of Worker's Compensation totaling \$125,804 in 2020 were incorrectly posted to Other Financing Sources.
- Intergovernmental receipts from the Ohio Public Works Commission totaling \$382,349 in 2020 were incorrectly posted to Loans Issued.
- Earnings on Investment receipts totaling \$221,166 in 2020 and \$239,644 in 2019 in the Capital Projects Funds were incorrectly posted to Premium and Accrued Interest on Debt.
- Intergovernmental receipts and Transfers Out were each overstated by \$41,714 in 2020 in the General Fund.
- Principal Retirement and Interest and Fiscal Charges disbursements totaling \$339,034 and \$92,984, respectively, in 2020 in the Enterprise Funds were incorrectly posted to Capital Outlay disbursements.
- Beginning and ending fund balance were understated by \$30,717 and \$23,710, respectively, in 2020 in the Custodial Fund, and understated by \$32,403 and \$30,717, respectively, in 2019 in the Agency Fund.
- Restricted Fund Balance in the Special Revenue Funds totaling \$110,584 in 2019 was incorrectly posted to Assigned Fund Balance.

**FINDING NUMBER 2020-001  
(Continued)**

- Assigned Fund Balance and Committed Fund Balance in the Capital Projects Funds totaling \$8,527,103 and \$102,500, respectively, were incorrectly posted to Restricted Fund Balance in 2019.

The financial statements and accounting records have been adjusted for these errors, where applicable.

In addition to the adjustments listed above, we also identified additional immaterial misstatements ranging from \$3,883 to \$75,959 that we have brought to the Village's attention. The financial statements were not adjusted for these errors.

The Village did not have procedures in place for effective monitoring of the Village's financial activity, and the accuracy of accounting and financial reporting. It is important that the Village Council take an active role in monitoring the posting and reporting of such activity. Failure to accurately post and monitor financial activity increases the risk that errors, theft, and fraud could occur and not be detected in a timely manner.

Due care should be exercised when posting entries to the financial records and financial statement preparation. The Village officials should review the Auditor of State Village Officer's Handbook, Auditor of State Bulletin 2011-004, and the chart of accounts to assure that items are being posted to the proper account codes and funds, and update control procedures for review of financial activity so that errors can be detected and corrected in a timely manner.

**Officials' Response:**

The Village understands the requirement to process and report the financial activities of the Mayor's Court in financial statements and perform monthly reconciliations of the Mayor's Court bank account. Processes are being put in place to perform these tasks to ensure all necessary steps are being taken to review the financial activities of the Mayor's Court. These steps will be in addition to the existing oversight that takes place within the Mayor's Court as part of the Glendale Police Department chain of command.

The Village was under the impression that the receipt posting locations were correct at the time each item was posted. We appreciate the detail and direction on posting these items and will correct future postings to reflect this guidance.

The \$41,714 was posted to the General Fund Intergovernmental receipts as funds were received prior to the creation of the dedicated Special Revenue Fund 219 Coronavirus Relief Fund. The transfer out was not accurately posted as a transfer in to this Special Revenue Fund. We will more carefully review financial postings to ensure all transfers are properly balanced.

The debt transactions posted here reflect payments made through the Ohio Water Development Authority and Ohio Public Works Commission for capital improvement projects under the Enterprise Funds. It was our understanding at the time that these were the appropriate posting locations. Understanding now that they were not, we will adjust future financial reports to reflect this updated guidance.

Regarding the fund balance errors, we are continuously seeking to improve the Village's financial reporting to be in accordance with guidance provided by the Auditor and in that pursuit, will use this direction provided to update future financial posting to reflect this guidance going forward.

## FINDING NUMBER 2020-002

### Material Weakness – Cash Reconciliation Process Errors

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the Village's book (fund) balance to the total bank balance on a monthly basis. The Mayor's Court Clerk is responsible for reconciling the Court's cashbook balance to the total bank balance on a monthly basis. The Council and/or other administrator are responsible for reviewing the reconciliations and related support.

Due to deficiencies in the Village's internal controls over cash reconciliations, the following conditions related to the Village's cash reconciliations were identified:

- The Village did not prepare a bank reconciliation, list of reconciling items, or reconciliation of open items outstanding for the Mayor's Court for each month of 2019 and 2020.
- The Village did not complete accurate monthly bank reconciliations for the Payroll bank account for each month of 2020.
- All monthly bank reconciliations prepared by the Executive Finance Assistant did not receive a documented supervisory review and approval.

Failure to reconcile monthly increases the possibility that the Village will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer and Mayor's Court Clerk should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Council should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

### Officials' Response:

As a result of COVID-19 and staff reductions, these reconciliations were not completed for 2020. We have taken steps to prepare these reconciliations for the future. We appreciate the additional guidance to ensure all reconciliations are properly reviewed and approved by the Treasurer. Future reconciliations will be reviewed and approved in this manner. As stated above, future controls and procedures are being implemented to incorporate the proper posting and reconciliation of Mayor's Court financial activity and bank balances.

**This page intentionally left blank.**



Village of  
**GLENDALE**  
OHIO  
INCORPORATED 1855

**Village of Glendale, Ohio**

30 Village Square  
Glendale, Ohio 45246  
(513) 771-7200

Donald A. Lofty, Mayor  
David Lumsden, Village Administrator

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**DECEMBER 31, 2020 AND 2019**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Financial Reporting	Not Corrected	Reissued as Finding 2020-001
2019-002	Budgetary Posting	Corrected	None
2019-003	Mayor's Court	Partially Corrected	Reissued in the Management Letter



# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF GLENDALE**

**HAMILTON 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 1/20/2022**

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)