



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF PLAIN CITY
MADISON COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Plain City
800 Village Blvd
Plain City, OH 43064

We have reviewed the *Independent Auditor's Report* of the Village of Plain City, Madison County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2021 through December 31, 2022. 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 Plain City is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

July 10, 2023

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VILLAGE OF PLAIN CITY
MADISON COUNTY
For the Years Ended December 31, 2022 and 2021
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INDEPENDENT AUDITOR'S REPORT

Village of Plain City
Madison County
800 Village Blvd.
Plain City, Ohio 43064

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Plain City, Madison County, Ohio (the Village), which comprises 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 years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying 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 years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

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 opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the ensuing measure 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 financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. 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 opinions. 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023, 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.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
June 22, 2023

**VILLAGE OF PLAIN CITY
MADISON COUNTY**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$113,426	\$613,940	\$124,769	\$0	\$0	\$852,135
Municipal Income Tax	2,280,247	0	0	1,138,976	0	3,419,223
Intergovernmental	132,793	428,751	17,009	82,206	0	660,759
Special Assessments	2,383	0	0	0	0	2,383
Charges for Services	321,114	15,363	0	0	0	336,477
Fines, Licenses and Permits	397,689	302,226	0	0	0	699,915
Impact Fees	0	0	0	6,789	0	6,789
Earnings on Investments	162,654	12	0	34,306	1	196,973
Other	38,582	55,215	0	7,910	0	101,707
<i>Total Cash Receipts</i>	<u>3,448,888</u>	<u>1,415,507</u>	<u>141,778</u>	<u>1,270,187</u>	<u>1</u>	<u>6,276,361</u>
Cash Disbursements						
Current:						
Security of Persons and Property	0	1,388,430	0	0	0	1,388,430
Leisure Time Activities	348,495	308,316	2,984	0	0	659,795
Transportation	0	323,817	0	0	0	323,817
General Government	2,248,245	871	0	42,437	0	2,291,553
Capital Outlay	0	951	0	1,122,169	0	1,123,120
Debt Service:						
Principal Retirement	0	0	1,744,949	0	0	1,744,949
Interest and Fiscal Charges	0	0	250,400	0	0	250,400
Issuance Costs	0	0	10,112	57,326	0	67,438
<i>Total Cash Disbursements</i>	<u>2,596,740</u>	<u>2,022,385</u>	<u>2,008,445</u>	<u>1,221,932</u>	<u>0</u>	<u>7,849,502</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>852,148</u>	<u>(606,878)</u>	<u>(1,866,667)</u>	<u>48,255</u>	<u>1</u>	<u>(1,573,141)</u>
Other Financing Receipts (Disbursements)						
Sale of Notes	0	0	1,250,000	10,000,000	0	11,250,000
Premium and Accrued Interest on Debt	0	0	10,112	115,326	0	125,438
Sale of Capital Assets	206	35,361	0	0	0	35,567
Transfers In	0	1,085,000	410,198	1,263,500	0	2,758,698
Transfers Out	(1,190,000)	(232,500)	0	(950,198)	0	(2,372,698)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,189,794)</u>	<u>887,861</u>	<u>1,670,310</u>	<u>10,428,628</u>	<u>0</u>	<u>11,797,005</u>
<i>Net Change in Fund Cash Balances</i>	<u>(337,646)</u>	<u>280,983</u>	<u>(196,357)</u>	<u>10,476,883</u>	<u>1</u>	<u>10,223,864</u>
<i>Fund Cash Balances, January 1</i>	<u>2,995,552</u>	<u>1,352,120</u>	<u>316,419</u>	<u>2,763,097</u>	<u>5,001</u>	<u>7,432,189</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,657,906</u>	<u>\$1,633,103</u>	<u>\$120,062</u>	<u>\$13,239,980</u>	<u>\$5,002</u>	<u>\$17,656,053</u>

See accompanying notes to the basic financial statements

**VILLAGE OF PLAIN CITY
MADISON COUNTY**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$3,863,027
Other	52,757
	3,915,784
<i>Total Operating Cash Receipts</i>	<i>3,915,784</i>
Operating Cash Disbursements	
Personal Services	464,815
Employee Fringe Benefits	186,004
Contractual Services	302,194
Supplies and Materials	458,681
	1,411,694
<i>Total Operating Cash Disbursements</i>	<i>1,411,694</i>
<i>Operating Income</i>	<i>2,504,090</i>
Non-Operating Receipts (Disbursements):	
Intergovernmental	313,274
Loans Issued	103,250
Impact Fees	34,057
Sale of Capital Assets	14,535
Capital Outlay	(688,657)
Principal Retirement	(260,268)
Interest and Other Fiscal Charges	(34,662)
	(518,471)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(518,471)</i>
<i>Income before Transfers in(out)</i>	<i>1,985,619</i>
Transfers In	30,000
Transfers Out	(416,000)
	1,599,619
<i>Net Change in Fund Cash Balances</i>	<i>1,599,619</i>
<i>Fund Cash Balances, January 1</i>	<i>4,205,818</i>
<i>Fund Cash Balances, December 31</i>	<i>\$5,805,437</i>

See accompanying notes to the basic financial statements

**VILLAGE OF PLAIN CITY
MADISON COUNTY**

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022

	Fiduciary Fund Type
	Other Custodial
Additions	
Amounts Held for Employees	\$909,500
<i>Total Additions</i>	909,500
Deductions	
Distributions to Other Funds (Primary Gov't)	963,008
<i>Total Deductions</i>	963,008
<i>Net Change in Fund Balances</i>	(53,508)
<i>Fund Cash Balances, January 1</i>	39,197
<i>Fund Cash Balances, December 31</i>	(\$14,311)
<i>See accompanying notes to the basic financial statements</i>	

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1 – Reporting Entity

The Village of Plain City (the Village), Madison 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 general government services including water and sewer utilities, park operations, and police services.

Public Entity Risk Pools

The Village participates in a public entity risk pool and 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 changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

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 Fund:

Police Fund - This fund receives tax levy proceeds and transfers in to provide Village police protection.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Municipal Note Retirement Fund - This fund receives debt proceeds and transfers in to retire outstanding note principal and interest.

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:

Street Projects Fund - This fund receives transfers in and other revenues for various street reconstruction projects throughout the Village.

Vehicle & Equipment Fund - This fund receives transfers in and other revenues for new and replacement vehicles and equipment for Village operations.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant Permanent Fund:

Park Trust Fund - This fund was a bequest in to provide for the maintenance and upkeep of the Village's park.

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 Operating Fund - The water fund accounts for the provision of water services to the residents and commercial users within the Village

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

Sewer Capital Fund - This fund receives charges for services for capital improvements specific to the sewer operating system.

Fiduciary Funds Fiduciary funds include custodial funds. 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 amounts held for employees.

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.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies (Continued)

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 (C).

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) 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 reappropriated.

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 Bonds, U.S. Treasury Notes, U.S. Treasury-Inflation Protected Securities, Federal Farm Credit Bureau, Federal Home Loan Mortgage Corporation and certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

Leases

The Village is the lessor/lessee in various leases (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

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 the nonexpendable portion of the corpus in permanent funds.

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,387,000	\$3,449,094	\$62,094
Special Revenue	2,443,394	2,535,868	92,474
Debt Service	1,988,498	1,812,088	(176,410)
Capital Projects	10,152,102	12,649,013	2,496,911
Enterprise	2,956,418	4,410,900	1,454,482
Permanent	0	1	1
Custodial	0	909,500	909,500
Total	<u>\$20,927,412</u>	<u>\$25,766,464</u>	<u>\$4,839,052</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,757,781	\$4,150,010	\$607,771
Special Revenue	3,242,072	2,254,885	987,187
Debt Service	1,990,548	2,008,445	(17,897)
Capital Projects	10,396,002	2,172,130	8,223,872
Enterprise	3,962,635	2,811,281	1,151,354
Custodial	0	963,008	(963,008)
Total	<u>\$24,349,038</u>	<u>\$14,359,759</u>	<u>\$9,989,279</u>

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 4 – Deposits and Investments (Continued)

	<u>2022</u>
Demand deposits	\$2,266,585
Certificates of deposit	3,158,240
Other time deposits (savings and NOW accounts)	5,995,572
Total deposits	<u>11,420,396</u>
U.S. Treasury Notes	1,246,670
U.S. Treasury-Inflation Protected Securities	59,302
Federal Farm Credit Bureau	250,000
Federal Home Loan Mortgage Corporation	349,970
STAR Ohio	10,120,840
Total investments	<u>12,026,782</u>
Total carrying amount of deposits and investments held in the Pool	<u><u>\$23,447,179</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Village had payroll liabilities of (\$14,311) which is attributed to contribution timing differences.

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 Bonds, U.S. Treasury Notes, U.S. Treasury-Inflation Protected Securities, Federal Farm Credit Bureau, and Federal Home Loan Mortgage Corporation are 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.

Investments in STAR Ohio and money market mutual funds are not evidenced by securities that exist in physical or book-entry form.

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.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 5 – Taxes (Continued)

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.

Income Taxes

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

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Income tax receipts for the year ended December 31, 2022 was \$3,419,223 and is credited to the General Fund and the Capital Improvements 0.5% Income Tax Fund.

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2022, retention levels are \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 6 – Risk Management (Continued)

The Pool’s financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus at March 31, 2022.

Assets	\$909,464
Liabilities	<u>(1,109,394)</u>
Accumulated Surplus	<u>\$(199,930)</u>

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some of the Village 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 health care and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

The Village’s full-time Police Officers 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members’ wages. The Village has paid all contributions required through December 31, 2022.

Social Security

Several Village 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, 2022.

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 2022.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8 – Postemployment Benefits (Continued)

The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
Swimming Pool Refunding Bonds	\$1,380,000	1.80%
General Obligation Notes	11,250,000	4.00%
General Income Tax Special Obligation Bonds	5,060,000	2.75%-4.00%
Ohio Public Works Commission Loan #CT38V	212,163	0.00%
Ohio Public Works Commission Loan #CK15X	539,169	0.00%
Ohio Water Development Authority Loan #9240	236,000	0.00%
Ohio Water Development Authority Loan #4346	1,112,374	2.00%
Total	\$19,789,706	

The Village issued \$2,020,000 of series 2011 Swimming Pool Bonds to finance the construction of a swimming pool facility. During 2014, the Village issued \$1,855,000 in Series 2014 Swimming Pool Refunding Bonds to refund the remaining Series 2011 Swimming Pool Bonds. The bonds will be repaid in semiannual payments of principal and interest over 24 years. The Village’s taxing authority collateralized the bonds.

During 2019, the Village issued \$5,600,000 General Income Tax Special Obligation Bonds to retire previously issued general obligation notes for the construction of a Municipal Administration Building and various capital improvements of \$3,500,000 and \$1,896,000, respectively. The bonds were issued at rates of 2.75%-4.00% with final maturity in 2044. The bonds are collateralized by income taxes.

The Ohio Water Development Authority (OWDA) loan #4346 relates to a wastewater treatment plant purchase and design improvements. The Village will repay the loans in semiannual installments of \$147,465, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9 – Debt (Continued)

The Ohio Water Development Authority (OWDA) loan #9240 pertains to wastewater treatment plant technical design services. The total amount of loan is \$295,000 of which the Village received \$103,250 during 2022. Once the terms of the loan have been finalized, an amortization schedule will be available.

The Village issued \$1,450,000 one year general obligation bond anticipation notes in 2021 for various capital improvements. These notes were issued on October 5, 2021 at an interest rate of 1.25%. These notes were refunded in 2021. During 2022, the Village issued \$11,250,000 for various capital improvements at an interest rate of 4.00%.

During 2019, the Village obtained a loan from the Ohio Public Works Commission in the amount of \$242,473, payable over 20 years at an interest rate of 0%. The loan is paid from the Village’s OPWC Debt Retirement Fund and Water Operating Fund. In addition, during 2021 a loan was obtained from the Ohio Public Works Commission in the amount of \$552,994 payable over 20 years at an interest rate of 0%. This loan will be paid from the OPWC Debt Retirement Fund.

Amortization

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

Year Ending December 31:	Swimming Pool Bonds	General Obligation Notes	General Obligation Bonds	OWDA Loan	Maple Street OPWC Loan	Gay Street OPWC Loan
2023	\$121,600	\$11,700,000	\$317,925	\$294,930	\$12,124	\$27,650
2024	124,800	0	321,725	294,930	12,124	27,650
2025	127,850	0	321,775	294,930	12,124	27,650
2026	119,350	0	321,675	294,930	12,124	27,650
2027	121,100	0	319,675	0	12,124	27,650
2028-2032	586,250	0	1,600,875	0	60,620	138,250
2033-2037	564,850	0	1,601,375	0	60,620	138,250
2038-2042	212,000	0	1,598,525	0	30,303	124,419
2043-2044	0	0	640,438	0	0	0
Total	\$1,977,800	\$11,700,000	\$7,043,988	\$1,179,720	\$212,163	\$539,169

Note 10 – Construction and Contractual Commitments

The Village entered into a significant contractual commitment for water, sewer and sidewalk improvements at December 31, 2022.

Note 11 – Contingent Liabilities

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

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 12 – 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:

Fund Balances	General	Permanent	Total
Nonspendable:			
Corpus	\$0	\$5,000	\$5,000
Outstanding Encumbrances	363,270	0	363,270
<i>Total</i>	\$ 363,270	\$ 5,000	\$ 368,270

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the General fund, outstanding encumbrances are considered assigned.

Note 13 – 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. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

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**VILLAGE OF PLAIN CITY
MADISON COUNTY**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$98,541	\$565,336	\$130,003	\$0	\$0	\$793,880
Municipal Income Tax	1,919,220	0	0	958,700	0	2,877,920
Intergovernmental	122,678	488,103	16,277	0	0	627,058
Special Assessments	655	0	0	0	0	655
Charges for Services	320,365	11,098	0	0	0	331,463
Fines, Licenses and Permits	400,216	326,681	0	0	0	726,897
Earnings on Investments	73,031	17	0	0	1	73,049
Other	21,886	23,856	0	140,528	0	186,270
<i>Total Cash Receipts</i>	<u>2,956,592</u>	<u>1,415,091</u>	<u>146,280</u>	<u>1,099,228</u>	<u>1</u>	<u>5,617,192</u>
Cash Disbursements						
Current:						
Security of Persons and Property	0	1,306,666	0	0	0	1,306,666
Leisure Time Activities	336,559	234,984	2,824	0	0	574,367
Transportation	0	307,940	0	0	0	307,940
General Government	1,798,592	35,590	0	33,961	0	1,868,143
Capital Outlay	0	1,449,841	0	896,076	0	2,345,917
Debt Service:						
Principal Retirement	0	0	1,666,062	0	0	1,666,062
Interest and Fiscal Charges	0	0	260,315	0	0	260,315
Issuance Costs	0	0	12,471	0	0	12,471
<i>Total Cash Disbursements</i>	<u>2,135,151</u>	<u>3,335,021</u>	<u>1,941,672</u>	<u>930,037</u>	<u>0</u>	<u>8,341,881</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>821,441</u>	<u>(1,919,930)</u>	<u>(1,795,392)</u>	<u>169,191</u>	<u>1</u>	<u>(2,724,689)</u>
Other Financing Receipts (Disbursements)						
Sale of Notes	0	0	1,450,000	0	0	1,450,000
Premium and Accrued Interest on Debt	0	0	15,588	0	0	15,588
Loans Issued		552,994				552,994
Sale of Capital Assets	497,024	13,619	0	0	0	510,643
Transfers In	0	680,000	559,337	821,000	0	2,060,337
Transfers Out	(755,000)	(100,000)	0	(1,014,337)	0	(1,869,337)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(257,976)</u>	<u>1,146,613</u>	<u>2,024,925</u>	<u>(193,337)</u>	<u>0</u>	<u>2,720,225</u>
<i>Net Change in Fund Cash Balances</i>	563,465	(773,317)	229,533	(24,146)	1	(4,464)
<i>Fund Cash Balances, January 1</i>	<u>2,432,087</u>	<u>2,125,437</u>	<u>86,886</u>	<u>2,787,243</u>	<u>5,000</u>	<u>7,436,653</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,995,552</u>	<u>\$1,352,120</u>	<u>\$316,419</u>	<u>\$2,763,097</u>	<u>\$5,001</u>	<u>\$7,432,189</u>

See accompanying notes to the basic financial statements

**VILLAGE OF PLAIN CITY
MADISON COUNTY**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$3,032,979
Other	55,391
	3,088,370
<i>Total Operating Cash Receipts</i>	<i>3,088,370</i>
Operating Cash Disbursements	
Personal Services	438,080
Employee Fringe Benefits	209,728
Contractual Services	286,900
Supplies and Materials	499,000
	1,433,708
<i>Total Operating Cash Disbursements</i>	<i>1,433,708</i>
<i>Operating Income</i>	<i>1,654,662</i>
Non-Operating Receipts (Disbursements):	
Loans Issued	191,750
Capital Outlay	(1,213,930)
Sale of Capital Assets	7,959
Principal Retirement	(259,567)
Interest and Other Fiscal Charges	(41,424)
	(1,315,212)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(1,315,212)</i>
<i>Income before Transfers in(out)</i>	<i>339,450</i>
Transfers In	60,000
Transfers Out	(251,000)
	148,450
<i>Net Change in Fund Cash Balances</i>	<i>148,450</i>
<i>Fund Cash Balances, January 1</i>	<i>4,057,368</i>
<i>Fund Cash Balances, December 31</i>	<i>\$4,205,818</i>

See accompanying notes to the basic financial statements

**VILLAGE OF PLAIN CITY
MADISON COUNTY**

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Fiduciary Fund Type
	Other Custodial
Additions	
Amounts Held for Employees	\$858,818
<i>Total Additions</i>	858,818
Deductions	
Distributions to Other Funds (Primary Gov't)	852,836
<i>Total Deductions</i>	852,836
<i>Net Change in Fund Balances</i>	5,982
<i>Fund Cash Balances, January 1</i>	33,215
<i>Fund Cash Balances, December 31</i>	\$39,197

See accompanying notes to the basic financial statements

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1 – Reporting Entity

The Village of Plain City (the Village), Madison 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 general government services including water and sewer utilities, park operations, and police services.

Public Entity Risk Pools

The Village participates in a public entity risk pool and 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 changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

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 Fund:

Gay Street Reconstruction OPWC Fund - This fund receives grant money to provide for reconstruction of Gay Street.

Police Fund - This fund receives tax levy proceeds and transfers in to provide Village police protection.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Municipal Note Retirement Fund - This fund receives debt proceeds and transfers in to retire outstanding note principal and interest.

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:

Street Projects Fund - This fund receives transfers in and other revenues for various street reconstruction projects throughout the Village.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

Park Trust Fund - This fund was a bequest in to provide for the maintenance and upkeep of the Village's park.

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:

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

Sewer Capital Fund - This fund receives charges for services for capital improvements specific to the sewer operating system.

Fiduciary Funds Fiduciary funds include custodial funds.

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 amounts held for employees.

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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C).

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) 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 reappropriated.

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 Bonds, U.S. Treasury Note TIPS, Federal Farm Credit Bureau, Federal Home Loan Mortgage Corporation and certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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 PLAIN CITY, OHIO
MADISON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

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 the nonexpendable portion of the corpus in permanent funds.

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,872,000	\$3,453,616	\$581,616
Special Revenue	2,426,728	2,661,704	234,976
Debt Service	1,939,914	2,171,205	231,291
Capital Projects	2,111,950	1,920,228	(191,722)
Enterprise	4,299,200	3,348,079	(951,121)
Permanent	0	1	1
Custodial	0	858,818	858,818
Total	<u>\$13,649,792</u>	<u>\$14,413,651</u>	<u>\$763,859</u>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,408,730	\$3,243,887	\$164,843
Special Revenue	4,032,332	3,435,021	597,311
Debt Service	1,936,739	1,941,672	(4,933)
Capital Projects	2,363,805	1,644,374	719,431
Enterprise	5,046,448	4,854,291	192,157
Custodial	0	852,836	(852,836)
Total	<u>\$16,788,054</u>	<u>\$15,972,081</u>	<u>\$815,973</u>

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 4 – Deposits and Investments (Continued)

	<u>2021</u>
Demand deposits	(\$122,830)
Certificates of deposit	3,408,240
Other time deposits (savings and NOW accounts)	6,636,345
Total deposits	<u>9,921,755</u>
U.S. Treasury Bonds	1,246,670
U.S. Treasury Note TIPS	60,186
Federal Farm Credit Bureau	250,000
Federal Home Loan Mortgage Corporation	99,970
STAR Ohio	98,623
Total investments	<u>1,755,449</u>
Total carrying amount of deposits and investments held in the Pool	<u><u>\$11,677,204</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding \$39,197 in unremitted employee payroll withholdings. The Village reported demand deposits of (\$122,830) and does not represent a liability but results from the timing of transfers between bank accounts.

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 Bonds, U.S. Treasury Note TIPS, Federal Farm Credit Bureau, and Federal Home Loan Mortgage Corporation are 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.

Investments in STAR Ohio and money market mutual funds are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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.

Income Taxes

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

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Income tax receipts for the year ended December 31, 2021 was \$2,877,920 and is credited to the General Fund and the Capital Improvements 0.5% Income Tax Fund.

Note 6 – Risk Management

Workers' Compensation

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

Risk Pool Membership

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 6 – Risk Management (Continued)

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2021, retention levels are \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus at March 31, 2021.

Assets	\$824,661
Liabilities	<u>(554,038)</u>
Accumulated Surplus	<u>\$270,623</u>

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some of the Village 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 health care and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2021.

Social Security

Several Village 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, 2021.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 2021. Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 9 – Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Swimming Pool Refunding Bonds	\$1,440,000	1.80%
General Obligation Notes	1,450,000	1.25%
General Income Tax Special Obligation Bonds	5,210,000	2.75%-4.00%
Ohio Public Works Commission Loan #CT38V	224,287	0.00%
Ohio Public Works Commission Loan #CK15X	552,994	0.00%
Ohio Water Development Authority Loan #9240	191,750	0.00%
Ohio Water Development Authority Loan #4346	1,372,642	2.00%
Total	<u>\$10,441,673</u>	

The Village issued \$2,020,000 of series 2011 Swimming Pool Bonds to finance the construction of a swimming pool facility. During 2014, the Village issued \$1,855,000 in Series 2014 Swimming Pool Refunding Bonds to refund the remaining Series 2011 Swimming Pool Bonds. The bonds will be repaid in semiannual payments of principal and interest over 24 years. The Village’s taxing authority collateralized the bonds.

During 2019, the Village issued \$5,600,000 General Income Tax Special Obligation Bonds to retire previously issued general obligation notes for the construction of a Municipal Administration Building and various capital improvements of \$3,500,000 and \$1,896,000, respectively. The bonds were issued at rates of 2.75%-4.00% with final maturity in 2044. The bonds are collateralized by income taxes.

The Ohio Water Development Authority (OWDA) loan #4346 relates to a wastewater treatment plant purchase and design improvements. The Village will repay the loans in semiannual installments of \$147,465, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #9240 pertains to wastewater treatment plant technical design services. The total amount of loan is \$295,000 of which the Village received \$191,750 during 2021. Once the terms of the loan have been finalized, an amortization schedule will be available.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9 – Debt (Continued)

The Village issued \$1,450,000 one year general obligation bond anticipation notes in 2021 for various capital improvements. These notes were issued on October 5, 2021 at an interest rate of 1.25%.

During 2019, the Village obtained a loan from the Ohio Public Works Commission in the amount of \$242,473, payable over 20 years at an interest rate of 0%. The loan is paid from the Village’s OPWC Debt Retirement Fund and Water Operating Fund. In addition, during 2021 a loan was obtained from the Ohio Public Works Commission in the amount of \$552,994 payable over 20 years at an interest rate of 0%. This loan will be paid from the OPWC Debt Retirement Fund.

Amortization

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

Year Ending December 31:	Swimming Pool Bonds	General Obligation Notes	General Obligation Bonds	OWDA Loan	Maple Street OPWC Loan	Gay Street OPWC Loan
2022	\$123,400	\$1,468,075	\$318,925	\$294,930	\$12,124	\$27,650
2023	121,600	0	317,925	294,930	12,124	27,650
2024	124,800	0	321,725	294,930	12,124	27,650
2025	127,850	0	321,775	294,930	12,124	27,650
2026	119,350	0	321,675	294,930	12,124	27,650
2027-2031	589,750	0	1,602,975	0	60,620	138,250
2032-2036	570,450	0	1,598,425	0	60,620	138,250
2037-2041	324,000	0	1,599,025	0	42,427	138,244
2042-2044	0	0	960,463	0	0	0
Total	<u>\$2,101,200</u>	<u>\$1,468,075</u>	<u>\$7,362,913</u>	<u>\$1,474,650</u>	<u>\$224,287</u>	<u>\$552,994</u>

Note 10 – Construction and Contractual Commitments

The Village entered into a significant contractual commitment for water, sewer and sidewalk improvements totaling \$285,773 at December 31, 2021.

Note 11 – Contingent Liabilities

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

Note 12 – 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.

**VILLAGE OF PLAIN CITY, OHIO
MADISON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 12 – Fund Balances (Continued)

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

Fund Balances	General	Permanent	Total
Nonspendable:			
Corpus	\$0	\$5,000	\$5,000
Outstanding Encumbrances	353,736	0	353,736
<i>Total</i>	\$ 353,736	\$ 5,000	\$ 358,736

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the General fund, outstanding encumbrances are considered assigned.

Note 13 – 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.



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

Village of Plain City
Madison County
800 Village Blvd.
Plain City, Ohio 43064

To the Village Council:

We have audited, in accordance the 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 (*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 years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Plain City, Madison County, (the Village) and have issued our report thereon dated June 22, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing 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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
June 22, 2023

**Village of Plain City
Madison County
Schedule of Prior Audit Findings
December 31, 2022 and 2021**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2020-001	Noncompliance – Ohio Rev. Code § 5705.41(B)	Yes	

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF PLAIN CITY

MADISON 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 7/20/2023

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