



**VILLAGE OF PIKETON  
PIKE COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

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Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

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St. Clairsville, OH 43950  
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OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Piketon  
P.O. Box 547  
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Piketon, Ohio 45661

We have reviewed the *Independent Auditor's Report* of the Village of Piketon, Pike County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Piketon 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

April 09, 2021

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VILLAGE OF PIKETON  
PIKE COUNTY

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## INDEPENDENT AUDITOR'S REPORT

March 8, 2021

Village of Piketon  
Pike County  
PO Box 547  
Piketon, Ohio 45661

To the Village Council:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Village of Piketon**, Pike County, (the Village) as of and for the years ended December 31, 2019 and 2018.

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

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

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

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

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

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

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***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, 2019 and 2018, and the respective changes in financial position or cash flows thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Piketon, Pike County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 11 to the financial statements, during 2019 and 2018, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

As discussed in Note 13 to the financial statements, during 2018, the Village elected to change its financial presentation to the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D) permit. 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 March 8, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**VILLAGE OF PIKETON  
PIKE 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	\$ 60,117	\$ 77,323	\$ -	\$ 137,440
Municipal Income Tax	175,479	466,357	-	641,836
Intergovernmental	122,391	107,989	2,841	233,221
Charges for Services	-	39,930	-	39,930
Fines, Licenses and Permits	26,470	80,324	-	106,794
Earnings on Investments	6,191	-	-	6,191
Miscellaneous	93,336	23,253	-	116,589
<i>Total Cash Receipts</i>	<u>483,984</u>	<u>795,176</u>	<u>2,841</u>	<u>1,282,001</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	27,920	373,677	-	401,597
Leisure Time Activities	30,400	-	-	30,400
Community Environment	10,087	-	-	10,087
Transportation	129,940	163,280	-	293,220
General Government	262,918	1,762	-	264,680
Capital Outlay	6,350	-	-	6,350
Debt Service:				
Principal Retirement	13,125	20,314	-	33,439
Interest and Fiscal Charges	4,475	1,167	-	5,642
<i>Total Cash Disbursements</i>	<u>485,215</u>	<u>560,200</u>	<u>-</u>	<u>1,045,415</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,231)</u>	<u>234,976</u>	<u>2,841</u>	<u>236,586</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	23,198	-	-	23,198
Transfers In	2,841	-	-	2,841
Transfers Out	(50,000)	(6,919)	(2,841)	(59,760)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(23,961)</u>	<u>(6,919)</u>	<u>(2,841)</u>	<u>(33,721)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(25,192)</u>	<u>228,057</u>	<u>-</u>	<u>202,865</u>
<i>Fund Cash Balances, January 1</i>	<u>494,163</u>	<u>358,301</u>	<u>-</u>	<u>852,464</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	586,358	-	586,358
Committed	35,121	-	-	35,121
Assigned	260,524	-	-	260,524
Unassigned	173,326	-	-	173,326
<i>Fund Cash Balances, December 31</i>	<u>\$ 468,971</u>	<u>\$ 586,358</u>	<u>\$ -</u>	<u>\$ 1,055,329</u>

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

VILLAGE OF PIKETON  
PIKE 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**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 744,062	\$ -	\$ 744,062
Miscellaneous	131	-	131
<i>Total Operating Cash Receipts</i>	<u>744,193</u>	<u>-</u>	<u>744,193</u>
<b>Operating Cash Disbursements</b>			
Personal Services	219,212	-	219,212
Employee Fringe Benefits	60,949	-	60,949
Contractual Services	263,859	-	263,859
Supplies and Materials	185,477	-	185,477
<i>Total Operating Cash Disbursements</i>	<u>729,497</u>	<u>-</u>	<u>729,497</u>
<i>Operating Income (Loss)</i>	<u>14,696</u>	<u>-</u>	<u>14,696</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Capital Outlay	(20,000)	-	(20,000)
Principal Retirement	(49,893)	-	(49,893)
Interest and Other Fiscal Charges	(7,776)	-	(7,776)
Other Financing Sources	-	86,703	86,703
Other Financing Uses	-	(89,779)	(89,779)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(77,669)</u>	<u>(3,076)</u>	<u>(80,745)</u>
<i>Income (Loss) before Transfers</i>	(62,973)	(3,076)	(66,049)
Transfers In	56,919	-	56,919
<i>Net Change in Fund Cash Balances</i>	(6,054)	(3,076)	(9,130)
<i>Fund Cash Balances, January 1</i>	1,124,576	7,405	1,131,981
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,118,522</u>	<u>\$ 4,329</u>	<u>\$ 1,122,851</u>

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

**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Village of Piketon, Pike County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water and sewer utilities, maintenance of Village roads and bridges, park operations and police services.

***Public Entity Risk Pools***

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for these entities. 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 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 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 tax registration fees restricted for construction, maintenance and repair of streets within the Village.

**Police Fund** – The Police Fund is used to account for and report a property tax levy, as well as income tax monies committed by the Village, to provide police services.

**Capital Projects 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 Projects Fund:

**FEMA Grant Fund** – The FEMA Grant Fund accounts for and reports Federal grant monies for particular projects within the Village.

**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

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 Operating Fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

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

Fiduciary Funds – Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

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. The Village's agency fund account for Mayor's Court activity.

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

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

Budgetary Process

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

Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 3.

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 Picketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

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.

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

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

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

**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**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	\$ 360,871	\$ 510,023	\$ 149,152
Special Revenue	493,079	795,176	302,097
Capital Projects	2,841	2,841	-
Enterprise	606,000	801,112	195,112
Total	\$ 1,462,791	\$ 2,109,152	646,361

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 651,391	\$ 544,145	\$ 107,246
Special Revenue	780,076	580,464	199,612
Capital Projects	2,841	2,841	-
Enterprise	893,469	821,070	72,399
Total	\$ 2,327,777	\$ 1,948,520	\$ 379,257

**Note 4 - Deposits**

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

	2019
Demand deposits	\$ 2,078,180
Certificate of deposit	100,000
Total	\$ 2,178,180

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

**Note 5 – Income Taxes**

The Village levies a 1.0 percent income taxes whose proceeds can be used for general municipal operations, the purchasing or maintenance of equipment, or the acquisition, construction, repairs and/or maintenance of streets or other permanent improvements. For 2018, income tax receipts were recorded in the General, Street Construction, Maintenance and Repair and Police Funds. The Village levies and collects the tax on all income earned within the Village as well as on income of residents earned outside the Village. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 6 - 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**Note 7 – Risk Management**

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

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

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

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

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

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Village employees, other than full-time police employees, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. 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 certified full-time police officers belong to the 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 Village has no firefighters.

The Ohio Revised Code also prescribes contribution rates. OP&F full-time police and firefighter 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. The Village has paid all contributions required through December 31, 2019.

**Note 9 – Postemployment Benefits**

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

**Note 10 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC #CO10C	\$ 52,726	0%
OPWC #CO27F	34,830	0%
OPWC #CT56K	12,896	0%
2010 Administrative Building Loan	145,047	2.66%
OWDA #6237	265,527	2%
OPWC #CO17N	277,666	0%
OPWC #CT58O	141,748	0%
2014 Oliver Street Property Acquisition Loan	123,257	3.5%
OPWC #CT59R	123,936	0%
Total	<u>\$ 1,177,633</u>	

The 2002 Ohio Public Works Commission (OPWC) Loan #CO10C relates to a wastewater treatment plant upgrade. The loan was issued for \$351,499 and will be repaid in semiannual installments over 20 years.



**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 10 – Debt (Continued)**

The 2005 OPWC Loan #CO27F relates to the water treatment plant renovation. The loan was issued for \$116,096 will be repaid in semiannual installments over 20 years.

The 2009 OPWC Loan #CT56K relates to the water and wastewater treatment plant upgrades. The loan was issued for \$27,152 and will be repaid in semiannual installments over 20 years.

The 2010 Administrative Building Loan relates to the purchase of the administration building and the retirement of the Land Installment Contract. The loan will be repaid in monthly installments over 20 years.

The 2012 Ohio Water Development Authority (OWDA) Loan #6237 relates to a water tank replacement project. The loan was issued for \$319,560 and will be repaid in semiannual installments over 30 years.

The 2014 OPWC Loan #CO17N relates to the water and wastewater treatment plant upgrades. The loan was issued for \$340,000 and will be repaid in semiannual installments over 30 years.

The 2013 OPWC Loan #CT58O relates to the Main Street Resurfacing project. The loan was issued for \$210,000 and will be repaid in semiannual payments over 20 years.

In 2014, the Village entered into a Loan to purchase property on Oliver Street. The loan will be repaid in annual payments for 15 years. The loan payments are split between the General, Street Construction, Maintenance and Repair, Water Operating and Sewer Operating Funds.

The 2016 OPWC Loan #CT59R relates to the West Avenue Street Improvement project. The loan was issued for \$145,807 and will be repaid in semiannual payments over 20 years.

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

Year Ending December 31:	OPWC #CO10C	OPWC #CO27F	OPWC #CT56K	Building Loan
2020	\$ 17,575	\$ 5,805	\$ 1,357	\$ 16,876
2021	17,575	5,805	1,358	16,876
2022	17,576	5,805	1,357	16,876
2023	-	5,805	1,358	16,876
2024	-	5,805	1,357	16,876
2025-2029	-	5,805	6,109	84,380
2030-2034	-	-	-	9,842
Total	<u>\$ 52,726</u>	<u>\$ 34,830</u>	<u>\$ 12,896</u>	<u>\$ 178,602</u>

**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 10 – Debt (Continued)**

Year Ending December 31:	OWDA #6237	OPWC #CO17N	OPWC #CT58O	Oliver Street Loan	OPWC #CT59R
2020	\$ 14,217	\$ 11,334	\$ 10,500	\$ 148,778	\$ 7,291
2021	14,217	11,333	10,500	-	7,290
2022	14,217	11,334	10,500	-	7,291
2023	14,217	11,333	10,500	-	7,290
2024	14,217	11,334	10,500	-	7,291
2025-2029	71,085	56,667	52,498	-	36,451
2030-2034	71,085	56,667	36,750	-	36,452
2035-2039	71,085	56,666	-	-	14,580
2040-2044	49,759	50,998	-	-	-
Total	<u>\$ 334,099</u>	<u>\$ 277,666</u>	<u>\$ 141,748</u>	<u>\$ 148,778</u>	<u>\$ 123,936</u>

**Note 11 – Subsequent Events**

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

**VILLAGE OF PIKETON  
PIKE COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 60,642	\$ 85,913	\$ 146,555
Municipal Income Tax	512,426	136,700	649,126
Intergovernmental	101,205	91,026	192,231
Fines, Licenses and Permits	27,696	79,555	107,251
Earnings on Investments	2,559	-	2,559
Miscellaneous	12,366	55,945	68,311
	<b>716,894</b>	<b>449,139</b>	<b>1,166,033</b>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	30,000	408,970	438,970
Community Environment	10,727	-	10,727
Transportation	102,246	253,776	356,022
General Government	251,277	4,000	255,277
Debt Service:			
Principal Retirement	14,661	20,389	35,050
Interest and Fiscal Charges	5,923	1,085	7,008
	<b>414,834</b>	<b>688,220</b>	<b>1,103,054</b>
<i>Total Cash Disbursements</i>	<b>414,834</b>	<b>688,220</b>	<b>1,103,054</b>
<i>Excess of Receipts Over (Under) Disbursements</i>	<b>302,060</b>	<b>(239,081)</b>	<b>62,979</b>
<b>Other Financing (Disbursements)</b>			
Other Financing Uses	(100)	-	(100)
<i>Total Other Financing (Disbursements)</i>	<b>(100)</b>	<b>-</b>	<b>(100)</b>
<i>Net Change in Fund Cash Balances</i>	<b>301,960</b>	<b>(239,081)</b>	<b>62,879</b>
<i>Fund Cash Balances, January 1 (Restated, See Note 12)</i>	<b>192,203</b>	<b>597,382</b>	<b>789,585</b>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	358,301	358,301
Committed	41,471	-	41,471
Assigned	213,965	-	213,965
Unassigned	238,727	-	238,727
	<b>494,163</b>	<b>358,301</b>	<b>852,464</b>
<i>Fund Cash Balances, December 31</i>	<b>\$ 494,163</b>	<b>\$ 358,301</b>	<b>\$ 852,464</b>

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

**VILLAGE OF PIKETON  
PIKE 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, 2018**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 613,626	\$ -	\$ 613,626
Miscellaneous	5,020	-	5,020
<i>Total Operating Cash Receipts</i>	<u>618,646</u>	<u>-</u>	<u>618,646</u>
<b>Operating Cash Disbursements</b>			
Personal Services	214,928	-	214,928
Employee Fringe Benefits	83,986	-	83,986
Contractual Services	117,822	-	117,822
Supplies and Materials	118,324	-	118,324
<i>Total Operating Cash Disbursements</i>	<u>535,060</u>	<u>-</u>	<u>535,060</u>
<i>Operating Income (Loss)</i>	<u>83,586</u>	<u>-</u>	<u>83,586</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Miscellaneous Receipts	54	-	54
Capital Outlay	(10,849)	-	(10,849)
Principal Retirement	(49,871)	-	(49,871)
Interest and Other Fiscal Charges	(7,786)	-	(7,786)
Other Financing Sources	-	89,298	89,298
Other Financing Uses	-	(86,241)	(86,241)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(68,452)</u>	<u>3,057</u>	<u>(65,395)</u>
<i>Net Change in Fund Cash Balances</i>	15,134	3,057	18,191
<i>Fund Cash Balances, January 1 (Restated, See Note 12)</i>	<u>1,109,442</u>	<u>4,348</u>	<u>1,113,790</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,124,576</u>	<u>\$ 7,405</u>	<u>\$ 1,131,981</u>

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

**Village of Piketon  
Pike County**  
*Notes to the Financial Statements  
For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The Village of Piketon, Pike County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water and sewer utilities, maintenance of Village roads and bridges, park operations and police services.

***Public Entity Risk Pools***

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for these entities. 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 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 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 tax registration fees restricted for construction, maintenance and repair of streets within the Village.

**Police Fund** – The Police Fund is used to account for and report a property tax levy, as well as income tax monies committed by the Village, to provide police services.

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

**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

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

Fiduciary Funds – Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

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. The Village's agency fund account for Mayor's Court activity.

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

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

Budgetary Process

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

Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 3.

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.

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 Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**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.

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

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

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

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 320,709	\$ 716,894	\$ 396,185
Special Revenue	601,620	449,139	(152,481)
Enterprise	556,000	618,700	62,700
Total	\$ 1,478,329	\$ 1,784,733	306,404

**Village of Piketon  
Pike County**  
*Notes to the Financial Statements  
For the Year Ended December 31, 2018*

**Note 3 – Budgetary Activity (Continued)**

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 469,869	\$ 419,968	\$ 49,901
Special Revenue	748,850	691,706	57,144
Enterprise	810,829	606,875	203,954
Total	\$ 2,029,548	\$ 1,718,549	\$ 310,999

**Note 4 - Deposits**

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

	2018
Demand deposits	\$ 1,884,445
Certificates of deposits	100,000
Total deposits	\$ 1,984,445

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

**Note 5 – Income Taxes**

The Village levies a 1.0 percent income taxes whose proceeds can be used for general municipal operations, the purchasing or maintenance of equipment, or the acquisition, construction, repairs and/or maintenance of streets or other permanent improvements. For 2018, income tax receipts were recorded in the General, Street Construction, Maintenance and Repair and Police Funds. The Village levies and collects the tax on all income earned within the Village as well as on income of residents earned outside the Village. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**Note 6 - Property Taxes**

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

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

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



**Village of Piketon  
Pike County**  
*Notes to the Financial Statements  
For the Year Ended December 31, 2018*

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**Note 7 – Risk Management**

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Village employees, other than full-time police employees, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. 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, 2018.

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

The Village's certified full-time police officers belong to the 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 Village has no firefighters.

The Ohio Revised Code also prescribes contribution rates. OP&F full-time police and firefighter 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. The Village has paid all contributions required through December 31, 2018.

**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2018. OP&F contributes 0.5% to fund these benefits.

**Note 10 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC #CO10C	\$ 70,301	0%
OPWC #CO27F	40,635	0%
OPWC #CT56K	14,254	0%
2010 Administrative Building Loan	155,648	2.66%
OWDA #6237	274,301	2%
OPWC #CO17N	289,000	0%
OPWC #CT58O	152,248	0%
2014 Oliver Street Property Acquisition Loan	133,352	3.5%
OPWC #CT59R	131,226	0%
Total	<u>\$ 1,260,965</u>	

The 2002 Ohio Public Works Commission (OPWC) Loan #CO10C relates to a wastewater treatment plant upgrade. The loan was issued for \$351,499 and will be repaid in semiannual installments over 20 years.

The 2005 OPWC Loan #CO27F relates to the water treatment plant renovation. The loan was issued for \$116,096 will be repaid in semiannual installments over 20 years.

The 2009 OPWC Loan #CT56K relates to the water and wastewater treatment plant upgrades. The loan was issued for \$27,152 and will be repaid in semiannual installments over 20 years.

The 2010 Administrative Building Loan relates to the purchase of the administration building and the retirement of the Land Installment Contract. The loan will be repaid in monthly installments over 20 years.

The 2012 Ohio Water Development Authority (OWDA) Loan #6237 relates to a water tank replacement project. The loan was issued for \$319,560 and will be repaid in semiannual installments over 30 years.

The 2014 OPWC Loan #CO17N relates to the water and wastewater treatment plant upgrades. The loan was issued for \$340,000 and will be repaid in semiannual installments over 30 years.

The 2013 OPWC Loan #CT58O relates to the Main Street Resurfacing project. The loan was issued for \$210,000 and will be repaid in semiannual payments over 20 years.

In 2014, the Village entered into a Loan to purchase property on Oliver Street. The loan will be repaid in annual payments for 15 years. The loan payments are split between the General, Street Construction, Maintenance and Repair, Water Operating and Sewer Operating Funds.

The 2016 OPWC Loan #CT59R relates to the West Avenue Street Improvement project. The loan was issued for \$145,807 and will be repaid in semiannual payments over 20 years.

**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 10 – Debt (Continued)**

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

Year Ending December 31:	OPWC #CO10C	OPWC #CO27F	OPWC #CT56K	Building Loan
2019	\$ 17,575	\$ 5,805	\$ 1,358	\$ 16,876
2020	17,575	5,805	1,357	16,876
2021	17,575	5,805	1,358	16,876
2022	17,576	5,805	1,357	16,876
2023	-	5,805	1,358	16,876
2024-2028	-	11,610	6,788	84,380
2029-2033	-	-	678	26,718
Total	<u>\$ 70,301</u>	<u>\$ 40,635</u>	<u>\$ 14,254</u>	<u>\$ 195,478</u>

Year Ending December 31:	OWDA #6237	OPWC #CO17N	OPWC #CT58O	Oliver Street Loan	OPWC #CT59R
2019	\$ 14,217	\$ 11,333	\$ 10,500	\$ 148,778	\$ 7,290
2020	14,217	11,334	10,500	-	7,291
2021	14,217	11,333	10,500	-	7,290
2022	14,217	11,334	10,500	-	7,291
2023	14,217	11,333	10,500	-	7,290
2024-2028	71,085	56,667	52,498	-	36,452
2029-2033	71,085	56,667	47,250	-	36,451
2034-2038	71,085	56,667	-	-	21,871
2039-2043	63,976	56,666	-	-	-
2044-2045	-	5,666	-	-	-
Total	<u>\$ 348,316</u>	<u>\$ 289,000</u>	<u>\$ 152,248</u>	<u>\$ 148,778</u>	<u>\$ 131,226</u>

**Note 11 – Subsequent Events**

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

**Note 12 – Restatement of Beginning Fund Balances**

Beginning fund balances at January 1, 2018 were restated for the Village's Mayor's Court Agency Fund to reflect the entire balance of the Village's Mayor's Court bank account and to move this balance from the Village's Police Special Revenue Fund.

	Agency Fund	Special Revenue Funds
Ending Fund Balance, December 21, 2017	\$ 652	\$ 601,076
Restatement	3,694	(3,694)
Beginning Fund Balance, January 1, 2018, Restated	<u>\$ 4,348</u>	<u>\$ 597,382</u>

**Village of Piketon**  
**Pike County**  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 13 – Change in Accounting Basis**

For the year ended December 31, 2017, the Village reported on the cash basis of accounting in which fund financial statements presented each major fund in a separate column with nonmajor funds aggregated and presented in a single column. Beginning the year ended December 31, 2018, the Village has implemented the regulatory basis of accounting as prescribed by the Auditor of State's Office described in Note 2.

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

March 8, 2021

Village of Piketon  
Pike County  
PO Box 547  
Piketon, Ohio 45661

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the **Village of Piketon**, Pike County, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated March 8, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We also noted the Village changed its financial statement presentation from the prior year.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

***Compliance and Other Matters***

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

***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 communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." The signature is written in a cursive, flowing style.

**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

VILLAGE OF PIKETON  
PIKE COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2019-001

**Material Weakness**

**Financial Reporting**

Accurate financial reporting is the responsibility of the Clerk/Treasurer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- Rollback receipts were posted as Property and Other Local Taxes instead of Intergovernmental in the General Fund in 2018.
- Mayor's Court activity was not recorded in an Agency Fund in 2019 and 2018.
- Excise tax receipt was not allocated properly between the Street Construction, Maintenance and Repair and State Highway Funds in 2019.

Not posting receipts and classifying fund balances accurately resulted in the financial statements requiring several reclassifications and adjustments. The financial statements reflect all reclassifications and adjustments. The Village has posted all adjustments to its accounting system. Additional unadjusted errors were noted in smaller relative amounts and included on the summary of unadjusted differences.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and fund balances are properly identified and classified on the financial statements.

We also recommend the Clerk/Treasurer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt accounts and posting of receipts and classification of fund balances.

**Management's Response** – Officials did not provide a response to this finding.

**VILLAGE OF PIKETON  
PIKE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Posting Receipts	Partially corrected and reissued as finding 2019-001 in this report.	
2017-002	Ohio Rev. Code Section 5705.39 and 5705.41(B)	Fully corrected.	



# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF PIKETON**

**PIKE 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 5/6/2021**

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

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