



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF PLAIN CITY
MADISON COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 389-5775 • FAX (614) 467-3920
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcgroup.com

OHIO AUDITOR OF STATE
KEITH FABER



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

Members of Council
Village of Plain City
800 Village Blvd.
Plain City, Ohio 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, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

September 10, 2021

This page intentionally left blank.

VILLAGE OF PLAIN CITY
MADISON COUNTY
For the Years Ended December 31, 2020 and 2019
Table of Contents

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report.....	1
Basic Financial Statements:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Fiscal Year Ended December 31, 2020	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary Fund Types For the Fiscal Year Ended December 31, 2020	4
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) – All Fiduciary Fund Types For the Fiscal Year Ended December 31, 2020	5
Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2020	6
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Fiscal Year Ended December 31, 2019	17
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary Fund Types For the Fiscal Year Ended December 31, 2019	18
Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2019	19
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	28
Schedule of Findings.....	30
Schedule of Prior Audit Findings.....	31

This page intentionally left blank.



INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

As discussed in Note 14 to the 2020 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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



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

**VILLAGE OF 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, 2020**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts:						
Property Taxes	\$ 87,957	\$ 353,828	\$ 109,946	\$ -	\$ -	\$ 551,731
Municipal Income Tax	1,680,963	-	-	808,756	-	2,489,719
Intergovernmental	102,108	592,816	15,053	-	-	709,977
Charges for Services	299,042	-	-	228,000	-	527,042
Fines, Licenses, and Permits	174,836	195,098	-	-	-	369,934
Earnings on Investments	47,257	24	-	-	-	47,281
Miscellaneous	160,788	47,652	-	-	-	208,440
Total Cash Receipts	2,552,951	1,189,418	124,999	1,036,756	-	4,904,124
Cash Disbursements:						
Current:						
Security of Persons and Property	-	1,099,582	-	-	-	1,099,582
Leisure Time Activities	321,117	187,964	1,380	-	-	510,461
Transportation	-	456,212	-	-	-	456,212
General Government	1,120,762	119,432	-	58,016	-	1,298,210
Capital Outlay	-	1,378	-	2,520,446	-	2,521,824
Debt Service:						
Principal Retirement	-	-	2,005,000	-	-	2,005,000
Interest and Fiscal Charges	-	-	319,853	-	-	319,853
Bond Issuance Costs	-	-	11,721	-	-	11,721
Total Cash Disbursements	1,441,879	1,864,568	2,337,954	2,578,462	-	8,222,863
Excess of Receipts Over/(Under) Disbursements	1,111,072	(675,150)	(2,212,955)	(1,541,706)	-	(3,318,739)
Other Financing Receipts (Disbursements):						
Proceeds from Sale of Public Debt:						
Sale of Notes	-	-	1,450,000	-	-	1,450,000
Premium and Accrued Interest on Debt	-	-	15,109	-	-	15,109
Sale of Fixed Assets	-	9,624	-	-	-	9,624
Transfers-In	-	1,821,731	768,581	1,024,750	-	3,615,062
Transfers-Out	(705,000)	(440,376)	(139,449)	(1,588,536)	-	(2,873,361)
Total Other Financing Receipts (Disbursements)	(705,000)	1,390,979	2,094,241	(563,786)	-	2,216,434
Net Change in Fund Cash Balances	406,072	715,829	(118,714)	(2,105,492)	-	(1,102,305)
Fund Cash Balances, January 1	2,026,015	1,409,608	205,600	4,892,735	5,000	8,538,958
Fund Cash Balances, December 31	<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>

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

**VILLAGE OF PLAIN CITY
MADISON COUNTY**

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

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 2,499,948
Miscellaneous	49,967
	2,549,915
Total Operating Cash Receipts	2,549,915
Operating Cash Disbursements:	
Personal Services	248,524
Employee Fringe Benefits	110,449
Contractual Services	216,730
Supplies and Materials	344,688
	920,391
Total Operating Cash Disbursements	920,391
Operating Income (Loss)	1,629,524
Non-Operating Receipts (Disbursements)	
Capital Outlay	(242,682)
Principal Retirement	(252,981)
Interest and Fiscal Charges	(48,011)
	(543,674)
Total Non-Operating Cash Receipts (Disbursements)	(543,674)
Income (Loss) before Transfers	1,085,850
Transfers In	25,000
Transfers Out	(766,701)
	344,149
Net Change in Fund Cash Balances	344,149
Fund Cash Balances, January 1	3,713,219
Fund Cash Balances, December 31	\$ 4,057,368

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

**VILLAGE OF PLAIN CITY
MADISON COUNTY**

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

	Fiduciary Fund Types
	Other Custodial
Additions	
Amounts Held for Employees	\$ 702,051
<i>Total Additions</i>	702,051
Deductions	
Distributions to Other Funds (Primary Gov't)	668,836
<i>Total Deductions</i>	668,836
<i>Net Change in Fund Balances</i>	33,215
<i>Fund Cash Balances, January 1</i>	-
<i>Fund Cash Balances, December 31</i>	\$ 33,215

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

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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, sewer and refuse utilities, pool and 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.

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 Funds.

Police Fund- This fund receives tax levy proceeds 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:

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

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Capital 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:

Municipal Facilities Fund - This fund received debt proceeds in a prior year for municipal building construction.

Capital Improvement/.5% Income Tax Fund- The fund receives .5% of the general income tax for capital purchases or infrastructure improvements.

Permanent Funds The 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 Village's programs (for benefit of the Village or its citizenry). The Village has the following significant Permanent Funds:

Park Trust Fund- This fund was a bequest in which the interest is received to provide for the maintenance and upkeep of the Village's park. The interest received is credited directly to the Park Special Revenue Fund.

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

Water Operating Fund- This fund receives charges for services from residents to cover the cost of providing this utility.

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

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, 2020

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 be budgeted annually.

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

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

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

A summary of 2020 budgetary activity appears in Note 3.

Deposits

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.

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, 2020

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. 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, 2020

Note 3 - Budgetary Activity

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,370,810	\$2,552,951	\$182,141
Special Revenue	2,155,414	3,020,773	865,359
Debt Service	835,941	2,358,689	1,522,748
Capital Projects	2,027,190	2,061,506	34,316
Enterprise	1,892,842	2,574,915	682,073
Custodial	0	702,051	702,051
Total	\$9,282,197	\$13,270,885	\$3,988,688

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,322,271	\$2,146,879	\$175,392
Special Revenue	3,184,460	2,304,944	879,516
Debt Service	1,018,690	2,477,403	(1,458,713)
Capital Projects	4,626,607	4,166,998	459,609
Enterprise	3,200,576	2,230,766	969,810
Custodial	0	668,836	(668,836)
Total	\$14,352,604	\$13,995,826	\$356,778

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the, Debt Service funds by \$1,458,713 and the Custodial Funds by \$668,836 for the year ended December 31, 2020.

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments

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

	2020
Demand deposits	\$336,824
Certificates of deposit	1,904,660
Other time deposits (savings and NOW accounts)	9,087,240
Total deposits	11,328,724
Federal Home Loan Mortgage Corp.	99,970
STAR Ohio	98,542
Total investments	198,512
Total carrying amount of deposits and investments held in the Pool	11,527,236

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 Federal Home Loan Mortgage Corporation security 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 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 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.

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 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 Reginal Income Tax Agency (RITA) 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, 2020 was \$1,680,963 and is credited to the General 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 Government 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, 2020, retention levels are \$50,000 and \$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, 2020.

Assets	\$ 940,409
Liabilities	(359,749)
Accumulated Surplus	\$ 580,660

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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, 2020.

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, 2020.

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, 2020.

Note 8 – Postemployment Benefits

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

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.

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 – Debt

Debt outstanding at December 31, 2020 was as follows:

	Principal	Interest Rate
Swimming Pool Refunding Bonds	\$1,505,000	1.80%
OWDA #4346	1,626,147	2.00%
2020 Notes	1,450,000	3.25%
2019 Bonds	5,355,000	2.75 - 4.00%
OPWC Loan	236,411	0.00%
Total	\$10,172,558	

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 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 Village issued \$1,450,000 one year general obligation bond anticipation notes in 2020 for various capital improvements. These notes were issued on October 7, 2020 at an interest rate of 3.25%.

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 collateralized by water charges for services.

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Amortization

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

Year Ending December 31:	Swimming Pool				
	Refunding Bonds	OWDA #4346	OPWC Loan	GO Bonds	GO Notes
2021	\$ 130,350	\$ 294,930	\$ 18,186	\$ 318,275	\$ 1,471,690
2022	123,400	294,930	12,124	318,925	-
2023	121,600	294,930	12,124	317,925	-
2024	124,800	294,930	12,124	321,725	-
2025	127,850	294,930	12,124	321,775	-
2026-2030	592,500	294,930	60,620	1,605,775	-
2031-2035	576,250	-	60,620	1,599,425	-
2036-2040	434,800	-	48,489	1,598,325	-
2041-2044	-	-	-	1,279,038	-
Total	<u>\$2,231,550</u>	<u>\$1,769,580</u>	<u>\$236,411</u>	<u>\$7,681,188</u>	<u>\$1,471,690</u>

Note 10 – Construction and Contractual Commitments

The Village entered into a significant contractual commitment for water, sewer and sidewalk improvements totaling \$1,524,616 at December 31, 2020.

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. 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:

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Fund Balances	General	Permanent	Total
Nonspendable:			
Corpus	\$ -	\$ 5,000	\$ 5,000
Outstanding Encumbrances	71,907	-	71,907
<i>Total</i>	\$ 71,907	\$ 5,000	\$ 76,907

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 – Change in Accounting Principles

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

The effect of this change had no impact on beginning cash fund balances.

Note 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding and these amounts are reflected as general government and transfer out expenditures in the Coronavirus Relief Special Revenue Fund the accompanying financial statements.

THIS PAGE IS INTENTIONALLY LEFT BLANK

**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, 2019**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:						
Property Taxes	\$ 77,123	\$ 329,869	\$ 96,403	\$ -	\$ -	\$ 503,395
Municipal Income Tax	1,663,204	-	-	789,960	-	2,453,164
Intergovernmental	103,441	515,775	12,230	-	-	631,446
Special Assessments	893	33,271	-	-	-	34,164
Charges for Services	294,837	140,923	-	-	-	435,760
Fines, Licenses, and Permits	193,233	11,410	-	-	-	204,643
Earnings on Investments	260,890	40	-	-	-	260,930
Miscellaneous	31,848	80,241	-	340,000	-	452,089
Total Cash Receipts	<u>2,625,469</u>	<u>1,111,529</u>	<u>108,633</u>	<u>1,129,960</u>	<u>-</u>	<u>4,975,591</u>
Cash Disbursements:						
Current:						
Security of Persons and Property	-	995,705	-	-	-	995,705
Leisure Time Activities	-	163,960	-	-	-	163,960
Basic Utility Services	292,321	-	-	-	-	292,321
Transportation	-	372,264	-	-	-	372,264
General Government	932,670	-	-	-	-	932,670
Capital Outlay	-	1,514,601	-	2,287,269	-	3,801,870
Debt Service:						
Principal Retirement	-	-	6,940,000	-	-	6,940,000
Interest and Fiscal Charges	-	-	397,427	-	-	397,427
Total Cash Disbursements	<u>1,224,991</u>	<u>3,046,530</u>	<u>7,337,427</u>	<u>2,287,269</u>	<u>-</u>	<u>13,896,217</u>
Excess of Receipts Over/(Under) Disbursements	1,400,478	(1,935,001)	(7,228,794)	(1,157,309)	-	(8,920,626)
Other Financing Receipts (Disbursements):						
Proceeds from Sale of Public Debt:						
Loans Issued	-	242,473	-	-	-	242,473
Sale of Bonds	-	-	5,396,000	204,000	-	5,600,000
Sale of Notes	-	-	1,484,000	3,716,000	-	5,200,000
Premium and Accrued Interest on Debt	-	-	297,325	-	-	297,325
Sale of Fixed Assets	-	8,694	-	-	-	8,694
Transfers-In	-	988,731	171,670	540,500	-	1,700,901
Transfers-Out	(1,012,997)	(180,000)	-	(453,670)	-	(1,646,667)
Total Other Financing Receipts (Disbursements)	<u>(1,012,997)</u>	<u>1,059,898</u>	<u>7,348,995</u>	<u>4,006,830</u>	<u>-</u>	<u>11,402,726</u>
Net Change in Fund Cash Balances	387,481	(875,103)	120,201	2,849,521	-	2,482,100
Fund Cash Balances, January 1 <i>(Restated - See note 11)</i>	1,638,534	2,284,711	85,399	2,043,214	5,000	6,056,858
Fund Cash Balances, December 31						
Nonspendable	-	-	-	-	5,000	5,000
Restricted	-	1,108,366	205,600	4,892,735	-	6,206,701
Committed	-	301,242	-	-	-	301,242
Unassigned (Deficit)	2,026,015	-	-	-	-	2,026,015
Fund Cash Balances, December 31	<u>\$ 2,026,015</u>	<u>\$ 1,409,608</u>	<u>\$ 205,600</u>	<u>\$ 4,892,735</u>	<u>\$ 5,000</u>	<u>\$ 8,538,958</u>

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

**VILLAGE OF PLAIN CITY
MADISON COUNTY**

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

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 2,445,912
Miscellaneous	35,050
	2,480,962
Total Operating Cash Receipts	2,480,962
Operating Cash Disbursements:	
Personal Services	308,139
Employee Fringe Benefits	120,797
Contractual Services	212,910
Supplies and Materials	349,198
	991,044
Total Operating Cash Disbursements	991,044
Operating Income (Loss)	1,489,918
Non-Operating Receipts (Disbursements)	
Capital Outlay	(280,360)
Principal Retirement	(240,503)
Interest and Fiscal Charges	(54,427)
	(575,290)
Total Non-Operating Cash Receipts (Disbursements)	(575,290)
Income (Loss) before Transfers	914,628
Transfers In	9,266
Transfers Out	(63,500)
	860,394
Net Change in Fund Cash Balances	860,394
Fund Cash Balances, January 1 <i>(Restated - See note 11)</i>	2,852,825
	3,713,219
Fund Cash Balances, December 31	\$ 3,713,219

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

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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, sewer and refuse utilities, pool and park operations and police services.

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 revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds.

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

Police Fund- This fund receives tax levy proceeds 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:

Pool Bond Retirement Fund- This fund receives tax levy proceeds to retire the Series 2014 Swimming Pool Bonds.

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Capital Funds The funds account for capital/infrastructure needs for the Village. It is supported by a .5% income tax that was passed in May 2016 that went into effect as of July 1, 2016. Income generated supports capital needs and infrastructure improvements. A committee was established to create a schedule that was approved by Village council. The Village has the following significant Capital Funds:

Capital Improvement/.5% Income Tax Fund- The fund receives .5% of the general income tax for capital purchases or infrastructure improvements.

Permanent Funds The 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 Village's programs (for benefit of the Village or its citizenry). The Village has the following significant Permanent Funds:

Park Trust Fund- This fund was a bequest in which the interest is received to provide for the maintenance and upkeep of the Village's park. The interest received is credited directly to the Park Special Revenue Fund.

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

Water Operating Fund- This fund receives charges for services from residents to cover the cost of providing this utility.

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

Basis of Accounting

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

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

Budgetary Process

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

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

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

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

A summary of 2019 budgetary activity appears in Note 3.

Deposits

The Village's accounting basis includes deposits as assets.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

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

Note 3 - Budgetary Activity

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,195,150	\$2,625,469	\$430,319
Special Revenue	2,105,688	2,351,427	245,739
Debt Service	7,433,995	7,457,628	23,633
Capital Projects	4,748,500	5,590,460	841,960
Enterprise	1,977,900	2,490,228	512,328
Total	\$18,461,233	\$20,515,212	\$2,053,979

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,439,832	\$2,237,988	\$201,844
Special Revenue	3,611,627	3,226,530	385,097
Debt Service	7,337,427	7,337,427	0
Capital Projects	5,536,670	2,740,939	2,795,731
Enterprise	2,735,473	1,629,834	1,105,639
Total	\$21,661,029	\$17,172,718	\$4,488,311

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments

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

	<u>2019</u>
Demand deposits	\$9,078,209
Certificates of deposit	<u>2,084,879</u>
Total deposits	<u>11,163,088</u>
U.S. Treasury Notes	991,243
STAR Ohio	97,846
Total investments	<u>1,089,089</u>
Total carrying amount of deposits and investments	<u><u>12,252,177</u></u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institutions' public entity deposit pool.

Investments

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

Investments in STAR Ohio and 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 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 Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Income Taxes

The Village levies a municipal income tax of one 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 Reginal Income Tax Agency (RITA) 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, 2019 was \$1,663,204 and is credited to the General Fund.

Note 6 - Risk Management

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.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some 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, 2019.

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, 2019.

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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, 2019.

Note 8 – Postemployment Benefits

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

Beginning January 1, 2019, OP&F 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, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Swimming Pool Refunding Bonds	\$1,565,000	1.80%
OWDA #4346	1,873,066	2.00%
2019 Bonds	5,600,000	2.75-4.00%
2019 Notes	1,700,000	2.75%
OPWC Loan	242,473	0.00%
Total	<u>\$10,980,539</u>	

The Ohio Water Development Authority (OWDA) loan relates to a cooperative agreement for the Village's Wastewater Treatment plant purchase and design improvements. The Village acquired the loan to acquire, construct, expand, rehabilitate, and improve the Municipal Wastewater Plant.

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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 interest and annual payments of principal over 24 years. The Village's taxing authority collateralized the bonds.

The OWDA loan #4346 relates to a water plant upgrade and expansion project. The loan will be repaid in semiannual installments of \$147,465, including interest, over 20 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village issued \$1.7 million in bond anticipation notes for various purposes during on September 19, 2019 with a maturity date of October 8, 2020. Council passed numerous Resolutions authorizing certain projects/capital purchases to be completed.

The Village issued \$5.6 million in bond anticipation notes for various purposes during on September 19, 2019. Council passed numerous Resolutions authorizing certain projects/capital purchases to be completed.

Amortization

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

Year Ending December 31:	Swimming Pool Refunding Bonds	OWDA #4346	OPWC Loan	GO Bonds	GO Notes
2020	\$ 127,150	\$ 294,930	\$ 6,062	\$ 451,214	\$ 1,746,490
2021	130,350	294,930	12,124	318,275	-
2022	123,400	294,930	12,124	318,925	-
2023	121,600	294,930	12,124	317,925	-
2024	124,800	294,930	12,124	321,725	-
2025-2029	605,000	589,860	60,618	1,605,475	-
2030-2034	577,000	-	60,618	1,599,025	-
2035-2039	549,400	-	60,618	1,598,825	-
2040-2044	-	-	6,061	1,601,012	-
Total	<u>\$2,358,700</u>	<u>\$2,064,510</u>	<u>\$242,473</u>	<u>\$8,132,401</u>	<u>\$1,746,490</u>

Village of Plain City, Ohio
Madison County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Contingent Liabilities

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

Note 11 – Beginning Balance Restatement

General Fund Balance, January 1, 2019- As previously stated	\$ 1,667,500
Prior period accounting errors	<u>(28,966)</u>
General Fund Balance, January 1, 2019- Restated	<u>\$ 1,638,534</u>
Special Revenue Funds Balance, January 1, 2019- As previously stated	\$ 1,168,059
Prior period accounting errors	<u>1,116,652</u>
Special Revenue Funds Balance, January 1, 2019- Restated	<u>\$ 2,284,711</u>
Capital Projects Fund Balance, January 1, 2019- As previously stated	\$ 2,419,964
Prior period accounting errors	<u>(376,750)</u>
Capital Projects Fund Balance, January 1, 2019- Restated	<u>\$ 2,043,214</u>
Enterprise Fund Balance, January 1, 2019- As previously stated	\$ 3,592,722
Prior period accounting errors	<u>(739,897)</u>
Enterprise Fund Balance, January 1, 2019- Restated	<u>\$ 2,852,825</u>



**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 with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Plain City, Madison County, (the Village) and have issued our report thereon dated June 28, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2020-001.

Village's Response to Findings

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Village's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



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

**Village of Plain City
Madison County
Schedule of Findings
December 31, 2020 and 2019**

1. SUMMARY OF AUDITOR'S RESULTS

FINDING NUMBER 2020-001

Noncompliance

Ohio Rev. Code § 5705.41(B) No subdivision or taxing unit shall: Make any expenditure of money unless it has been appropriated as provided in such chapter.

Contrary to Ohio law, budgetary expenditure exceeded the appropriation authority in the Debt Service and Custodial Funds during the year ended December 31, 2020.

We recommend the Village's Council and Fiscal Officer review appropriations throughout the year and post approve amendments as necessary. Any amendments to those official documents should be timely be posted to the Village's accounting system upon approval. This will lead to correct budgetary information and Township decisions can be made on accurate data.

Officials' Response: The Village has put parameters in place to have the budget reviewed multiple times by various individuals to ensure that this doesn't happen in the future.

**Village of Plain City
Madison County
Schedule of Prior Audit Findings
December 31, 2020 and 2019**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2018-001	Transfer of Fund – Noncompliance and Material Weakness	Yes	
2018-002	Financial Reporting – Material Weakness	Yes	

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 9/23/2021

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