



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Roaming Shores
Ashtabula County
2500 Hayford Road
P.O. Box 237
Roaming Shores, Ohio 44084

To the Mayor and 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 combined total as of and for the year ended December 31, 2019 and for each governmental and proprietary fund type as of and for the year ended December 31, 2018, and related notes of the Village of Roaming Shores, Ashtabula 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(C) 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(C), 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(C) 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 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 combined total as of and for the year ended December 31, 2019 and for each governmental and proprietary fund type as of and for the year ended December 31, 2018, 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(C) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

July 7, 2022

Village of Roaming Shores
Ashtabula 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	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$147,414	\$325,603	\$0	\$473,017
Intergovernmental	27,690	155,666		183,356
Fines, Licenses and Permits	7,373	300		7,673
Earnings on Investments	20,488	6,428		26,916
Miscellaneous	29,801	13,120		42,921
<i>Total Cash Receipts</i>	<u>232,766</u>	<u>501,117</u>	<u>0</u>	<u>733,883</u>
Cash Disbursements				
Current:				
Security of Persons and Property		345,318		345,318
Public Health Services	36,207			36,207
Community Environment	7,347			7,347
Transportation		118,828		118,828
General Government	77,253			77,253
Capital Outlay		76,991		76,991
Debt Service:				
Principal Retirement		33,356	41,000	74,356
Interest and Fiscal Charges		2,109	21,670	23,779
<i>Total Cash Disbursements</i>	<u>120,807</u>	<u>576,602</u>	<u>62,670</u>	<u>760,079</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>111,959</u>	<u>(75,485)</u>	<u>(62,670)</u>	<u>(26,196)</u>
Other Financing Receipts (Disbursements)				
Transfers In			61,780	61,780
Transfers Out	(61,780)		(13,803)	(75,583)
Advances Out	(11,811)			(11,811)
Other Financing Uses	(527)			(527)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(74,118)</u>	<u>0</u>	<u>47,977</u>	<u>(26,141)</u>
<i>Net Change in Fund Cash Balances</i>	37,841	(75,485)	(14,693)	(52,337)
<i>Fund Cash Balances, January 1</i>	<u>111,936</u>	<u>574,731</u>	<u>32,093</u>	<u>718,760</u>
Fund Cash Balances, December 31				
Restricted		499,246		499,246
Assigned	36,925		17,400	54,325
Unassigned	112,852			112,852
<i>Fund Cash Balances, December 31</i>	<u>\$149,777</u>	<u>\$499,246</u>	<u>\$17,400</u>	<u>\$666,423</u>

Village of Roaming Shores
Ashtabula County, Ohio
Statement of Receipts, Disbursements
and Changes in Fund Balance (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2019

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$1,059,470
Fines, Licenses and Permits	13,400
Miscellaneous	878
<i>Total Operating Cash Receipts</i>	<u>1,073,748</u>
Operating Cash Disbursements	
Personal Services	301,648
Contractual Services	182,510
Supplies and materials	293,001
<i>Total Operating Cash Disbursements</i>	<u>777,159</u>
<i>Operating Income (Loss)</i>	<u>296,589</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental	53,414
Sale of Notes	100,129
Sale of Fixed Assets	3,435
Capital Outlay	(138,178)
Principal Retirement	(226,284)
Interest and Other Fiscal Charges	(45,255)
Other Financing Sources	2,357
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(250,382)</u>
<i>Income (Loss) before</i> <i>Transfers and Advances</i>	46,207
Transfers In	337,099
Transfers Out	(323,296)
Advances In	11,811
<i>Net Change in Fund Cash Balances</i>	71,821
<i>Fund Cash Balances, January 1</i>	797,946
<i>Fund Cash Balances, December 31</i>	<u>\$869,767</u>

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Roaming Shores, Ashtabula County (the Village), as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides general governmental services, including maintenance of roads, police services and water and sewer utilities.

Public Entity Risk Pools and Jointly Governed Organizations

The Village participates in a Public Entity Risk Pool and is part of Jointly Governed Organizations. Notes 6 and 10 to the financial statements provides additional information for these entities. These organizations are:

Public Entity Risk Pool:

Ohio Government Risk Management Plan - Note 6

Jointly Governed Organizations:

South Central Ambulance District (SCAD) - Note 10

Northeast Ohio Public Energy Council (NOPEC) – Note 10

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 statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis.

Fund Accounting

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

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

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

Street Construction, Maintenance and Repair Fund - This fund received gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Recycling/Compost Fund – This fund was originally established to form a Recycling/Compost site.

Commemorative Garden – This fund was established to accept contributions to purchase plantings in the Village Hall gardens to remember loved ones.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Police Levy Fund - This fund receives funding from the passage of the Police Levies which is collected thru the County Real Estate taxes.

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 Funds:

General Obligation Bond Fund – This fund is used to accumulate resources for payment of the loan for the original purchase of the water and sewer system.

Village Hall Debt Fund – This fund is used to accumulate resources for payment of the construction of the Village Hall.

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

Water Fund - 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.

Lift Station Improvement Project - This fund was established to receive funding from zero percent loans and grants to pay for improvements to various sewer lift station located throughout the Village.

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 - personal services level, 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.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

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.

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 Roaming Shores, Ohio
Ashtabula 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	\$232,000	\$232,766	\$766
Special Revenue	497,500	501,117	3,617
Debt Service	62,000	61,780	(220)
Proprietary	1,459,189	1,579,636	120,447
Total	\$2,250,689	\$2,375,299	\$124,610

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$235,725	\$195,555	\$40,170
Special Revenue	663,906	583,083	80,823
Debt Service	76,803	76,473	330
Proprietary	1,591,247	1,525,007	66,240
Total	\$2,567,681	\$2,380,118	\$187,563

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:

	2019
Demand deposits	\$263,832
STAR Ohio	1,272,358
Total Deposits and investments	\$1,536,190

Deposits

Deposits are 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.

At December 31, 2019, all deposits were collateralized.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 5 – Taxes

Property Taxes

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

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

Note 6 - Risk Management

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

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

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	(11,329,011)
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.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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 Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages.

Social Security

Other employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Note 8 - Postemployment Benefits

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

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

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Berkadia - Water System Revenue Bond	\$172,000	7.13%
Berkadia - Wastewater Revenue Bond	210,000	7.13%
Andover Bank - Village Hall (GOB)	397,000	4.95%
OWDA - 3986 Waterline	85,266	4.51%
OWDA - 3377 Sewer Plant Expansion	252,756	4.61%
OPWC - Morningstar Drive 1 & 2	47,051	0.00%
OPWC - Watermeter	105,882	0.00%
OPWC - Lift Stations	515,702	0.00%
OPWC - Relocation	237,120	0.00%
OPWC - Plum Creek	95,123	0.00%
Sewer Loan	91,473	3.24%
Cruiser Loan	45,000	3.12%
Total	<u><u>\$2,254,373</u></u>	

Amortization

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

Year Ending December 31:	General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans	OPWC Loans	Cruiser Loan
2020	\$59,834	\$93,218	\$128,646	\$56,866	\$11,811	\$31,172
2021	57,820	94,055	128,646	56,866	11,811	15,234
2022	55,840	93,457	74,899	56,866	11,811	-
2023	53,860	94,041	21,148	56,866	11,811	-
2024	51,900	93,199	10,574	56,866	11,811	-
2025-2029	143,569	-	-	284,330	35,433	-
2030-2034	-	-	-	262,091	-	-
2035-2039	-	-	-	100,658	-	-
2040-2044	-	-	-	41,600	-	-
2045-2048	-	-	-	27,869	-	-
Total	<u><u>\$422,823</u></u>	<u><u>\$467,970</u></u>	<u><u>\$363,913</u></u>	<u><u>\$1,000,878</u></u>	<u><u>\$94,488</u></u>	<u><u>\$46,406</u></u>

The Berkadia Revenue Bonds were originally issued by United States Administration Farmers Home Loan for the purpose of purchasing the water/sewer system from the original developer of the community in 1979. The 1985 Revenue Bonds will be paid in annual installments over 40 years and cannot be repaid prior to the maturity date. The Bonds are to be secured by mortgaging all the properties of the Village used in and directly connected with the operation of the Utility.

The Ohio Water Development Authority (OWDA) loan #3377 was taken out to pay for the needed expansion of the sewer treatment plant. The loan will be paid in semi-annual installments over 20 years. The Village is required to adjust rates and charges for the services and facilities of its sanitary sewer in the amounts sufficient to pay these bonds. Water and sewer receipts collateralize these loans. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2019

The OWDA loans # 3986 relates to the re-routing of the water line which traveled through the earthen dam which contains the water for Lake Roaming Rock. It is a 20 year loan at 4.51% interest, payable in semi-installments. Water receipts also collateralize this loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

The Andover Bank General Obligation Bonds Series 2009 \$500,000 and Series B (2010) 300,000 were issued for the construction of the Village Hall. They are 20 year bonds which are repaid bi-annually. The Village's taxing authority collateralizes General Obligation Bonds.

The OPWC Morningstar Phase I Loans were received in 2013 for improvements for draining along Morningstar Roadway. The Morningstar Phase II \$17,119 loan was received in 2017. Both are 20 year 0% interest loan which is repaid bi-annually. The street fund receipts are used to collateralize this loan.

The OWPC Watermeter and Lift Station Loans were issued in 2013 for improvements to various lifts stations and for the purchase of new water meter reading equipment. These are 20 year 0% loans which are repaid bi-annually. The utility rates are set sufficiently to cover the debt service requirements.

The OWPC Water Relocation Loans were issued in 2018 for relocation of water lines. These are 30 year 0% loans which are repaid bi-annually. The utility rates are set sufficiently to cover the debt service requirements.

The OWPC Plum Creek Forcemain and Water Relocations Loans were issued in 2019 for relocation of water lines. These are 20 year 0% loans which are repaid bi-annually. The utility rates are set sufficiently to cover the debt service requirements.

The General Fund on October 16, 2018 issued manuscript debt in the amount of \$100,000 bearing an interest rate of 3.24% payable over ten years in equal installments. The issue was purchased by the Sewer Reserve fund. The specific purpose of the proceeds was to repay the Street Construction Maintenance and Repair Fund for improper transfers made to the Village Hall Debt Service Fund.

The Andover Bank Loan was issued on July 18, 2018 in the amount of \$75,000 for the purchase of police cruisers. The loan has an interest rate of 3.125% payable and matures on May 5, 2021.

Note 10 – Jointly Governed Organizations

Northeast Ohio Public Energy Council

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight member NOPEC Board of Directors. The board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The Village did not contribute to NOPEC during 2019. Financial information may be obtained by contacting Chuck Keiper, Executive Director, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2019

South Central Ambulance District

The constitution and laws of the State of Ohio establish the rights and privileges of the South Central Ambulance District, Ashtabula County (the District), as a body corporate and politic. Eleven Board members govern the District. Each political subdivision with the District appoints one member. Those subdivisions are Colebrook Township, Dorset Township, Hartsgrove Township, Lenox Township, Morgan Township, New Lyme Township, Orwell Township, Rome Township, Orwell Village, Rock Creek Village, and Roaming Shores Village, in Ashtabula County. The District provides ambulance services within the District and by contract to areas outside the District.

Financial information can be obtained by contacting Shaun Buehner, Director, 3100 US Highway 6 Rome, Ohio 44085.

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Village of Roaming Shores
Ashtabula 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	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$145,205	\$319,345	\$0	\$464,550
Intergovernmental	24,375	138,039		162,414
Fines, Licenses and Permits	8,698			8,698
Earnings on Investments	19,816	3,770		23,586
Miscellaneous	17,358	1,092		18,450
<i>Total Cash Receipts</i>	<u>215,452</u>	<u>462,246</u>	<u>0</u>	<u>677,698</u>
Cash Disbursements				
Current:				
Security of Persons and Property		330,536		330,536
Public Health Services	32,489			32,489
Community Environment	9,413			9,413
Transportation		45,061		45,061
General Government	106,305	8,480		114,785
Capital Outlay		83,443		83,443
Debt Service:				
Principal Retirement		3,356	41,000	44,356
Interest and Fiscal Charges		498	23,700	24,198
<i>Total Cash Disbursements</i>	<u>148,207</u>	<u>471,374</u>	<u>64,700</u>	<u>684,281</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>67,245</u>	<u>(9,128)</u>	<u>(64,700)</u>	<u>(6,583)</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds		75,000		75,000
Transfers In			50,000	50,000
Transfers Out	(50,000)			(50,000)
Other Financing Uses	(4,649)			(4,649)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(54,649)</u>	<u>75,000</u>	<u>50,000</u>	<u>70,351</u>
<i>Net Change in Fund Cash Balances</i>	12,596	65,872	(14,700)	63,768
<i>Fund Cash Balances, January 1</i>	<u>99,340</u>	<u>508,859</u>	<u>46,793</u>	<u>654,992</u>
Fund Cash Balances, December 31				
Restricted		574,731	13,803	588,534
Assigned	57,620		18,290	75,910
Unassigned	54,316			54,316
<i>Fund Cash Balances, December 31</i>	<u>\$111,936</u>	<u>\$574,731</u>	<u>\$32,093</u>	<u>\$718,760</u>

Village of Roaming Shores
Ashtabula County, Ohio
Statement of Receipts, Disbursements
and Changes in Fund Balance (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2018

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$1,034,496
Fines, Licenses and Permits	34,700
Miscellaneous	<u>3,900</u>
<i>Total Operating Cash Receipts</i>	<u>1,073,096</u>
Operating Cash Disbursements	
Personal Services	320,977
Contractual Services	272,382
Supplies and materials	<u>291,584</u>
<i>Total Operating Cash Disbursements</i>	<u>884,943</u>
<i>Operating Income (Loss)</i>	<u>188,153</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental	75,676
Sale of Notes	249,608
Capital Outlay	(350,542)
Principal Retirement	(208,594)
Interest and Other Fiscal Charges	(52,771)
Other Financing Uses	<u>(10,000)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(296,623)</u>
<i>Income (Loss) before Transfers</i>	(108,470)
Transfers In	311,145
Transfers Out	<u>(311,145)</u>
<i>Net Change in Fund Cash Balances</i>	(108,470)
<i>Fund Cash Balances, January 1</i>	<u>906,416</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$797,946</u></u>

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Roaming Shores, Ashtabula County (the Village), as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides general governmental services, including maintenance of roads, police services and water and sewer utilities.

Public Entity Risk Pools and Jointly Governed Organizations

The Village participates in a Public Entity Risk Pool and is part of Jointly Governed Organizations. Notes 6 and 10 to the financial statements provides additional information for these entities. These organizations are:

Public Entity Risk Pool:

Ohio Government Risk Management Plan - Note 6

Jointly Governed Organizations:

South Central Ambulance District (SCAD) - Note 10

Northeast Ohio Public Energy Council (NOPEC) – Note 10

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 statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis.

Fund Accounting

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

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

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

Street Construction, Maintenance and Repair Fund - This fund received gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Recycling/Compost Fund – This fund was originally established to form a Recycling/Compost site.

Commemorative Garden – This fund was established to accept contributions to purchase plantings in the Village Hall gardens to remember loved ones.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Police Levy Fund - This fund receives funding from the passage of the Police Levies which is collected thru the County Real Estate taxes.

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 Funds:

General Obligation Bond Fund – This fund is used to accumulate resources for payment of the loan for the original purchase of the water and sewer system.

Village Hall Debt Fund – This fund is used to accumulate resources for payment of the construction of the Village Hall.

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

Water Fund - 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.

Lift Station Improvement Project - This fund was established to receive funding from zero percent loans and grants to pay for improvements to various sewer lift station located throughout the Village.

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 - personal services level, 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.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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

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.

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.

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 Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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	\$213,850	\$215,452	\$1,602
Special Revenue	535,850	536,748	898
Debt Service	50,000	50,000	0
Proprietary	1,703,953	1,709,525	5,572
Total	\$2,503,653	\$2,511,725	\$8,072

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$246,070	\$205,356	\$40,714
Special Revenue	565,300	525,776	39,524
Debt Service	68,000	64,700	3,300
Proprietary	2,091,600	1,851,852	239,748
Total	\$2,970,970	\$2,647,684	\$323,286

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:

	2018
Demand deposits	\$306,126
STAR Ohio	1,210,580
Total Deposits and investments	\$1,516,706

Deposits

Deposits are 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.

At December 31, 2018, all deposits were collateralized.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 5 – Taxes

Property Taxes

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

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

Note 6 - Risk Management

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

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

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.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Ohio Police and Fire Retirement System

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 Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages.

Social Security

Other 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, 2018.

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 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

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

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
Berkadia - Water System Revenue Bond	\$200,000	7.13%
Berkadia - Wastewater Revenue Bond	244,000	7.13%
Andover Bank - Village Hall (GOB)	438,000	4.95%
OWDA - 3986 Waterline	102,000	4.51%
OWDA - 3377 Sewer Plant Expansion	346,796	4.61%
OPWC - Morningstar Drive 1 & 2	50,407	0.00%
OPWC - Watermeter	113,445	0.00%
OPWC - Lift Stations	548,323	0.00%
OPWC - Relocation	245,440	0.00%
Sewer Loan	100,000	3.24%
Andover Bank - Cruiser Loan	75,000	3.12%
Total	2,463,411	

Amortization

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

Year Ending December 31:	General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans	Sewer Loan	Cruiser Loan
2019	\$61,780	\$93,635	\$128,646	\$51,859	\$11,811	\$32,109
2020	59,834	93,218	128,646	51,859	11,811	31,172
2021	57,820	94,054	128,646	51,859	11,811	15,234
2022	55,840	94,456	128,646	51,859	11,811	-
2023	53,860	94,041	74,899	51,859	11,811	-
2024-2028	179,728	-	21,148	259,297	59,055	-
2029-2033	26,238	-	10,574	254,862	-	-
2034-2038	-	-	-	106,368	-	-
2039-2043	-	-	-	41,600	-	-
2044-2048	-	-	-	36,193	-	-
Total	\$495,100	\$469,404	\$621,205	\$957,615	\$118,110	\$78,515

The Berkadia Revenue Bonds were originally issued by United States Administration Farmers Home Loan for the purpose of purchasing the water/sewer system from the original developer of the community in 1979. The 1985 Revenue Bonds will be paid in annual installments over 40 years and cannot be repaid prior to the maturity date. The Bonds are to be secured by mortgaging all the properties of the Village used in and directly connected with the operation of the Utility.

The Ohio Water Development Authority (OWDA) loan #3377 was taken out to pay for the needed expansion of the sewer treatment plant. The loan will be paid in semi-annual installments over 20 years. The Village is required to adjust rates and charges for the services and facilities of its sanitary sewer in the amounts sufficient to pay these bonds. Water and sewer receipts collateralize these loans. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2018

The OWDA loans # 3986 relates to the re-routing of the water line which traveled through the earthen dam which contains the water for Lake Roaming Rock. It is a 20 year loan at 4.51% interest, payable in semi-installments. Water receipts also collateralize this loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

The Andover Bank General Obligation Bonds Series 2009 \$500,000 and Series B (2010) 300,000 were issued for the construction of the Village Hall. They are 20 year bonds which are repaid bi-annually. The Village's taxing authority collateralizes General Obligation Bonds.

The OPWC Morningstar Phase I Loans were received in 2013 for improvements for draining along Morningstar Roadway. The Morningstar Phase II \$17,119 loan was received in 2017. Both are 20 year 0% interest loan which is repaid bi-annually. The street fund receipts are used to collateralize this loan.

The OWPC Watermeter and Lift Station Loans were issued in 2013 for improvements to various lifts stations and for the purchase of new water meter reading equipment. These are 20 year 0% loans which are repaid bi-annually. The utility rates are set sufficiently to cover the debt service requirements.

The OWPC Water Relocation Loans were issued in 2018 for relocation of water lines. These are 30 year 0% loans which are repaid bi-annually. The utility rates are set sufficiently to cover the debt service requirements.

The General Fund on October 16, 2018 issued manuscript debt in the amount of \$100,000 bearing an interest rate of 3.24% payable over ten years in equal installments. The issue was purchased by the Sewer Reserve fund. The specific purpose of the proceeds was to repay the Street Construction Maintenance and Repair Fund for improper transfers made to the Village Hall Debt Service Fund.

The Andover Bank Loan was issued on July 18, 2018 in the amount of \$75,000 for the purchase of police cruisers. The loan has an interest rate of 3.125% payable and matures on May 5, 2021.

Note 10 – Jointly Governed Organizations

Northeast Ohio Public Energy Council

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight member NOPEC Board of Directors. The board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The Village did not contribute to NOPEC during 2018. Financial information may be obtained by contacting Chuck Keiper, Executive Director, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Village of Roaming Shores, Ohio
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2018

South Central Ambulance District

The constitution and laws of the State of Ohio establish the rights and privileges of the South Central Ambulance District, Ashtabula County (the District), as a body corporate and politic. Eleven Board members govern the District. Each political subdivision with the District appoints one member. Those subdivisions are Colebrook Township, Dorset Township, Hartsgrove Township, Lenox Township, Morgan Township, New Lyme Township, Orwell Township, Rome Township, Orwell Village, Rock Creek Village, and Roaming Shores Village, in Ashtabula County. The District provides ambulance services within the District and by contract to areas outside the District.

Financial information can be obtained by contacting Shaun Buehner, Director, 3100 US Highway 6 Rome, Ohio 44085.

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OHIO AUDITOR OF STATE KEITH FABER



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Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

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

Village of Roaming Shores
Ashtabula County
2500 Hayford Road
P.O. Box 237
Roaming Shores, Ohio 44084

To the Mayor and 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 combined total as of and for the year ended December 31, 2019 and for each governmental and proprietary fund type as of and for the year ended December 31, 2018, and related notes of the Village of Roaming Shores, Ashtabula County, (the Village) and have issued our report thereon dated July 7, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

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. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2019-001 to be a significant deficiency.

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 statements. 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*.

Village's Response to Finding

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.



Keith Faber
Auditor of State
Columbus, Ohio

July 7, 2022

**VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001

SIGNIFICANT DEFICIENCY

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

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

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Village Council are responsible for reviewing the reconciliations and related support.

The December 31, 2019 and 2018 bank reconciliations indicated the Village's bank balances exceeded the book balance by \$16,733 and \$19,207 respectively. The variances were due to the Bond/Construction bank account being left off the book in the amount of \$11,500 and \$5,500 at December 31, 2019 and 2018, respectively. Additionally, the Payroll and Health Insurance bank accounts were left off the book balance. The balance of the Payroll account was \$4,643 and \$11,950 at December 31, 2019 and 2018, respectively. The balance of Health Insurance account was \$590 and \$1,757 at December 31, 2019 and 2018, respectively. These accounts are zeroing accounts and were left with account balances from prior transfers, receipts and disbursements; however, the amounts should zero out and/or balance every month to a set amount determined by the Village. The above amounts were considered immaterial and not reflected on the financial statements by management for the years ended December 31, 2019 and 2018.

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

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

**VILLAGE OF ROAMING SHORES
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

Officials' Response: Management is aware of the above finding and has worked to correct the recommendation. The Fiscal officer records all transactions and prepares monthly bank to book cash reconciliations which include all bank accounts and fund balances. The Finance Committee reviews monthly cash reconciliations, supporting documentation and documents the reviews. Monthly reconciliations are done every month. Currently, the bank balance and book balance zero out monthly.

VILLAGE OF ROAMING SHORES

VILLAGE OF ROAMING SHORES ASHTABULA COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2019 AND 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Improper Transfer of Funds	Fully Corrected	
2017-002	Financial Reporting	Partially Corrected	Repeated as Management Letter Comment.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ROAMING SHORES

ASHTABULA 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 8/2/2022

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This report is a matter of public record and is available online at
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