

VILLAGE OF JEFFERSONVILLE
FAYETTE COUNTY, OHIO

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Jeffersonville
8 North Main St
Jeffersonville, OH 43128

We have reviewed the *Independent Auditor's Report* of the Village of Jeffersonville, Fayette County, prepared by Bastin & Company, LLC, for the audit period January 1, 2020 through December 31, 2021. 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 Jeffersonville is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

October 11, 2022

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VILLAGE OF JEFFERSONVILLE, OHIO
FAYETTE COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| Independent Auditor's Report..... | 1 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2021..... | 4 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Proprietary Fund Types - For the Year Ended December 31, 2021..... | 5 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Fiduciary Fund Types - For the Year Ended December 31, 2021..... | 6 |
| Notes to the Financial Statements for the Year Ended December 31, 2021 | 7 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2020..... | 15 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balance (Regulatory Cash Basis) - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2020..... | 16 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Fiduciary Fund Types - For the Year Ended December 31, 2020..... | 17 |
| Notes to the Financial Statements for the Year Ended December 31, 2020 | 18 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 27 |
| Schedule of Findings..... | 29 |
| Summary Schedule of Prior Audit Findings | 30 |

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Bastin & Company, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Village of Jeffersonville
Fayette County
4 North Main Street
Jeffersonville, Ohio 43128

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Jeffersonville, Fayette County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2021 and 2020, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Emphasis of Matters

As discussed in Note 13 to the 2021 and 2020 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter. As discussed in Note 14 and 15 to the 2020 financial statements, the Village restated beginning fund cash balances and made several changes to its reporting model. We did not modify our opinion regarding these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Bastin & Company, LLC

Williamsburg, Ohio
August 31, 2022

Village of Jeffersonville, Ohio
Fayette County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

| | General | Special Revenue | Totals (Memorandum Only) |
|---|-------------------|--------------------|--------------------------------|
| Cash Receipts | | | |
| Property and Other Local Taxes | \$ 105,504 | \$ 9,817 | \$ 115,321 |
| Municipal Income Tax | 377,188 | - | 377,188 |
| Intergovernmental | 44,826 | 200,354 | 245,180 |
| Charges for Services | - | 47,694 | 47,694 |
| Fines, Licenses and Permits | 17,531 | 14,100 | 31,631 |
| Earnings on Investments | 614 | 23 | 637 |
| Miscellaneous | 16,379 | 1,833 | 18,212 |
| <i>Total Cash Receipts</i> | <u>562,042</u> | <u>273,821</u> | <u>835,863</u> |
| Cash Disbursements | | | |
| Current: | | | |
| Security of Persons and Property | 47,106 | - | 47,106 |
| Leisure Time Activities | - | 50,012 | 50,012 |
| Community Environment | 21,597 | - | 21,597 |
| Basic Utility Services | 18,200 | - | 18,200 |
| Transportation | - | 49,460 | 49,460 |
| General Government | 407,121 | 45,250 | 452,371 |
| Capital Outlay | 70,506 | - | 70,506 |
| Debt Service: | | | |
| Principal Retirement | 4,794 | - | 4,794 |
| Interest and Fiscal Charges | 22 | - | 22 |
| <i>Total Cash Disbursements</i> | <u>569,346</u> | <u>144,722</u> | <u>714,068</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (7,304) | 129,099 | 121,795 |
| Other Financing Receipts (Disbursements) | | | |
| Sale of Capital Assets | 54,830 | - | 54,830 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>54,830</u> | <u>-</u> | <u>54,830</u> |
| <i>Net Change in Fund Cash Balances</i> | 47,526 | 129,099 | 176,625 |
| <i>Fund Cash Balances, January 1</i> | <u>312,526</u> | <u>118,239</u> | <u>430,765</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 360,052</u> | <u>\$ 247,338</u> | <u>\$ 607,390</u> |

See accompanying notes to the basic financial statements

Village of Jeffersonville, Ohio
Fayette County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2021

| | Proprietary Fund Types |
|---|---------------------------|
| | Enterprise |
| Operating Cash Receipts | |
| Charges for Services | \$ 809,050 |
| Miscellaneous | 41,328 |
| <i>Total Operating Cash Receipts</i> | <i>850,378</i> |
| Operating Cash Disbursements | |
| Personal Services | 118,171 |
| Employee Fringe Benefits | 94,534 |
| Contractual Services | 178,947 |
| Supplies and Materials | 171,895 |
| Other | 5,370 |
| <i>Total Operating Cash Disbursements</i> | <i>568,917</i> |
| <i>Operating Income (Loss)</i> | <i>281,461</i> |
| Non-Operating Receipts (Disbursements) | |
| Principal Retirement | (147,521) |
| Interest and Other Fiscal Charges | (8,885) |
| Miscellaneous Receipts | 10,050 |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <i>(146,356)</i> |
| <i>Net Change in Fund Cash Balances</i> | <i>135,105</i> |
| <i>Fund Cash Balances, January 1</i> | <i>703,637</i> |
| <i>Fund Cash Balances, December 31</i> | <i>\$ 838,742</i> |

See accompanying notes to the basic financial statements

Village of Jeffersonville
Fayette County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2021

| | Fiduciary Fund Types |
|--|-------------------------|
| | Custodial |
| Additions | |
| Other Amounts Collected for Distribution | \$ 12 |
| <i>Net Change in Fund Balances</i> | 12 |
| <i>Fund Cash Balances, January 1</i> | 5,031 |
| <i>Fund Cash Balances, December 31</i> | \$ 5,043 |

See accompanying notes to the basic financial statements

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Jeffersonville, Fayette 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, maintenance of roads, water and sewer utilities and park operations. The Village contracts with the Fayette County Sheriff's department to provide security of persons and property. The Village contracts with Rumpke to provide sanitation pickup.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Parks and Recreation The Parks and Recreation Fund receives grant and services revenue to operate and maintain the Village's parks and pool.

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village. The primary source of revenue is from water receipts.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village. The primary source of revenue is from sewer receipts.

Other Enterprise Operating Fund This fund accounts for the provision of trash service to the residents located within the Village. The primary source of revenue is from trash service receipts.

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

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

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) for all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

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

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

Budgetary Process

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

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

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

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

A summary of 2021 budgetary activity appears in Note 4.

Deposits and Investments

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

Capital Assets

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

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the American Rescue Plan Fund by \$44,164 for the year ended December 31, 2021.

Note 4 – Budgetary Activity

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

| 2021 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$ 613,855 | \$ 616,872 | \$ 3,017 |
| Special Revenue | 235,279 | 273,821 | 38,542 |
| Enterprise | 860,491 | 860,428 | (63) |
| Total | \$ 1,709,625 | \$ 1,751,121 | \$ 41,496 |

| 2021 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$ 699,225 | \$ 576,757 | \$ 122,468 |
| Special Revenue | 236,882 | 144,722 | 92,160 |
| Enterprise | 1,139,046 | 743,141 | 395,905 |
| Total | \$ 2,075,153 | \$ 1,464,620 | \$ 610,533 |

Note 5 – Deposits and Investments

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

| Cash Management Pool: | 2021 |
|--|-------------|
| Demand deposits | \$ 687,346 |
| Other time deposits (savings and ICS accounts) | 763,829 |
| Total deposits | \$1,451,175 |

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding \$7,620 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Depository 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.

Note 6 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Income tax is credited to the general fund.

Note 7 – Risk Management

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

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2021

up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021:

| | |
|-----------------------|--------------|
| Cash and investments | \$41,996,850 |
| Actuarial liabilities | \$14,974,099 |

Note 8 – 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, 2021.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 9 – Postemployment Benefits

OPERS offers 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 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021.

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt

Debt outstanding at December 31, 2021 was as follows:

| | <u>Principal</u> | <u>Interest Rate</u> |
|---|---------------------|----------------------|
| OWDA-4272 WWTP Improvements Loan | \$ 424,438 | 0.00% |
| OPWC-CO14G Wastewater Treatment Facility Improvements | 37,500 | 0.00% |
| Southern Hills Community Bank Loan | 41,598 | 5.00% |
| OWDA-8256 WTP Filter Replacement Loan | 596,089 | 1.04% |
| OPWC-CO18V WTP Filter Replacement Loan | 85,499 | 0.00% |
| Total | <u>\$ 1,185,124</u> | |

The Ohio Water Development Authority (OWDA) loan 4272 relates to the latest sewer plant upgrade project which the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$2,122,189 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$53,054.73, with no interest, over 20 years with the loan maturing on January 1, 2026. The scheduled payment amount below assumes that \$1,591,641.90 will be borrowed. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan CO14G relates to the wastewater treatment plant improvements. This loan was established in 2005 for \$150,000 at 0% interest for twenty years and will mature on July 1, 2026. Semiannual payments of \$3,750 are made from the sewer fund.

In 2018 the Village acquired the property and building located at 48 N. Main St. for \$85,000. The Village issued a \$68,000 loan through Southern Hills Community Bank. The term of the loan is seven years with an interest rate of 5%. Annual payments of \$11,777 began November 1, 2019. The actual amount of the final payment will depend on the payment record. The final payment is due November 1, 2025.

The OWDA loan 8256 relates to a water treatment plant upgrade. This loan was established in 2019 for \$680,184 at 1.04% interest for thirty years and matures on July 1, 2049. As of December 31, 2021, \$642,316 of the loan balance had been expended. Semiannual payments of \$12,489.56 are made from the Water Fund. In 2021, OWDA made a principal adjustment cost change to the outstanding balance, reducing the outstanding balance by \$583.

The OPWC loan CO18V relates to water treatment facility improvements. This loan was established in 2019 for \$89,999 at 0% interest for thirty years and matures on January 1, 2050. Semiannual payments of \$1,500 are made from the water fund.

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

| Year ending December 31: | OWDA Loan #4272 | OPWC Loan #CO14G | Southern Hills Bank Loan | OWDA Loan #8256 | OPWC Loan #CO18VL | Total |
|--------------------------------|--------------------|---------------------|-----------------------------|--------------------|----------------------|---------------------|
| 2022 | \$ 106,109 | \$ 7,500 | \$ 11,777 | \$ 24,979 | \$ 3,000 | \$ 153,365 |
| 2023 | 106,110 | 7,500 | 11,777 | 24,979 | 3,000 | 153,366 |
| 2024 | 106,109 | 7,500 | 11,777 | 24,979 | 3,000 | 153,365 |
| 2025 | 106,110 | 7,500 | 11,777 | 24,979 | 3,000 | 153,366 |
| 2026 | - | 7,500 | - | 24,979 | 3,000 | 35,479 |
| 2027-2031 | - | - | - | 124,895 | 15,000 | 139,895 |
| 2032-2036 | - | - | - | 124,895 | 15,000 | 139,895 |
| 2037-2041 | - | - | - | 124,895 | 15,000 | 139,895 |
| 2042-2046 | - | - | - | 124,895 | 15,000 | 139,895 |
| 2047-2050 | - | - | - | 62,448 | 10,499 | 72,947 |
| Total | <u>\$ 424,438</u> | <u>\$ 37,500</u> | <u>\$ 47,108</u> | <u>\$ 686,923</u> | <u>\$ 85,499</u> | <u>\$ 1,281,468</u> |

Note 11 – 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 12 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

| Fund Balances | General | Total |
|--------------------------|-----------------|-----------------|
| Outstanding Encumbrances | \$ 7,411 | \$ 7,411 |
| <i>Total</i> | <u>\$ 7,411</u> | <u>\$ 7,411</u> |

The fund balances of special revenue funds are either restricted or committed. These restricted or committed amounts in the special revenue funds would include outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

| | General | Special Revenue | Totals (Memorandum Only) |
|---|-------------------|--------------------|--------------------------------|
| Cash Receipts | | | |
| Property and Other Local Taxes | \$ 105,863 | \$ 3,119 | \$ 108,982 |
| Municipal Income Tax | 336,656 | - | 336,656 |
| Intergovernmental | 44,669 | 211,230 | 255,899 |
| Fines, Licenses and Permits | 11,658 | 6,000 | 17,658 |
| Earnings on Investments | 3,858 | 165 | 4,023 |
| Miscellaneous | 19,171 | 2,320 | 21,491 |
| <i>Total Cash Receipts</i> | <u>521,875</u> | <u>222,834</u> | <u>744,709</u> |
| Cash Disbursements | | | |
| Current: | | | |
| Security of Persons and Property | 59,803 | - | 59,803 |
| Public Health Services | - | 4,126 | 4,126 |
| Leisure Time Activities | - | 30,000 | 30,000 |
| Community Environment | 19,168 | - | 19,168 |
| Transportation | - | 61,946 | 61,946 |
| General Government | 409,726 | 108,602 | 518,328 |
| Capital Outlay | 39,315 | - | 39,315 |
| Debt Service: | | | |
| Principal Retirement | 13,340 | - | 13,340 |
| Interest and Fiscal Charges | 3,205 | - | 3,205 |
| <i>Total Cash Disbursements</i> | <u>544,557</u> | <u>204,674</u> | <u>749,231</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | (22,682) | 18,160 | (4,522) |
| Other Financing Receipts (Disbursements) | | | |
| Sale of Capital Assets | 3,650 | - | 3,650 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>3,650</u> | <u>-</u> | <u>3,650</u> |
| <i>Net Change in Fund Cash Balances</i> | (19,032) | 18,160 | (872) |
| <i>Fund Cash Balances, January 1</i> | <u>331,558</u> | <u>100,079</u> | <u>431,637</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$ 312,526</u> | <u>\$ 118,239</u> | <u>\$ 430,765</u> |

See accompanying notes to the basic financial statements

Village of Jeffersonville, Ohio
Fayette 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 | \$ 791,047 |
| Miscellaneous | 30,746 |
| <i>Total Operating Cash Receipts</i> | <i>821,793</i> |
| Operating Cash Disbursements | |
| Personal Services | 95,060 |
| Employee Fringe Benefits | 94,016 |
| Contractual Services | 234,541 |
| Supplies and Materials | 119,948 |
| Other | 5,157 |
| <i>Total Operating Cash Disbursements</i> | <i>548,722</i> |
| <i>Operating Income (Loss)</i> | <i>273,071</i> |
| Non-Operating Receipts (Disbursements) | |
| Principal Retirement | (129,388) |
| Interest and Other Fiscal Charges | (6,923) |
| Capital Outlay | (124,936) |
| Miscellaneous Receipts | 10,775 |
| Intergovernmental Receipts | 80,000 |
| Loans Issued | 5,055 |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <i>(165,417)</i> |
| <i>Net Change in Fund Cash Balances</i> | <i>107,654</i> |
| <i>Fund Cash Balances, January 1</i> | <i>595,983</i> |
| <i>Fund Cash Balances, December 31</i> | <i>\$ 703,637</i> |

See accompanying notes to the basic financial statements

Village of Jeffersonville
Fayette 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 |
|--|-------------------------|
| | Custodial |
| <i>Net Change in Fund Balances</i> | \$ - |
| <i>Fund Cash Balances, January 1</i> | 5,031 |
| <i>Fund Cash Balances, December 31</i> | \$ 5,031 |

See accompanying notes to the basic financial statements

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The Village of Jeffersonville, Fayette 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, maintenance of roads, water and sewer utilities and park operations. The Village contracts with the Fayette County Sheriff's department to provide security of persons and property. The Village contracts with Rumpke to provide sanitation pickup.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Parks and Recreation The Parks and Recreation Fund receives grant and services revenue to operate and maintain the Village's parks and pool.

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village. The primary source of revenue is from water receipts.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village. The primary source of revenue is from sewer receipts.

Other Enterprise Operating Fund This fund accounts for the provision of trash service to the residents located within the Village. The primary source of revenue is from trash service receipts.

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

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

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) for all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

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

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

Budgetary Process

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

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

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

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

A summary of 2020 budgetary activity appears in Note 4.

Deposits and Investments

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

Capital Assets

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

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the following funds for the year ended December 31, 2020:

| <u>Fund</u> | <u>Expenditures Exceeded Appropriations</u> |
|---------------------|---|
| State Highway | \$ 510 |
| Corona Virus Relief | 111,037 |
| Water | 38,779 |

Note 4 – Budgetary Activity

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

| <u>2020 Budgeted vs. Actual Receipts</u> | | | |
|--|--------------------------|------------------------|-------------------|
| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
| General | \$ 480,646 | \$ 525,525 | \$ 44,879 |
| Special Revenue | 222,938 | 222,834 | (104) |
| Enterprise | 759,000 | 917,623 | 158,623 |
| Total | <u>\$ 1,462,584</u> | <u>\$ 1,665,982</u> | <u>\$ 203,398</u> |

| <u>2020 Budgeted vs. Actual Budgetary Basis Expenditures</u> | | | |
|--|--------------------------------|-------------------------------|-------------------|
| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
| General | \$ 733,617 | \$ 549,742 | \$ 183,875 |
| Special Revenue | 172,353 | 205,283 | (32,930) |
| Enterprise | 976,972 | 812,265 | 164,707 |
| Total | <u>\$ 1,882,942</u> | <u>\$ 1,567,290</u> | <u>\$ 315,652</u> |

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 5 – Deposits and Investments

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

| | |
|--|--------------------|
| <i>Cash Management Pool:</i> | 2020 |
| Demand deposits | \$ 376,100 |
| Other time deposits (savings and ICS accounts) | <u>763,333</u> |
| Total deposits | <u>\$1,139,433</u> |

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Village is holding \$4,235 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Depository 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.

Note 6 – Taxes

Property Taxes

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

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

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

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Income tax is credited to the general fund.

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 7 – Risk Management

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

The Village insures against injuries to employees through the Ohio Bureau of Worker’s Compensation. The Village pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2020:

| | |
|-----------------------|--------------|
| Cash and investments | \$40,318,971 |
| Actuarial liabilities | 14,111,510 |

Note 8 – 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.

Social Security

Some 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.

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 – Postemployment Benefits

OPERS offers 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.

Note 10 – Debt

Debt outstanding at December 31, 2020 was as follows:

| | Principal | Interest Rate |
|---|--------------|---------------|
| OWDA-4272 WWTP Improvements Loan | \$ 530,548 | 0.00% |
| OPWC-CO14G Wastewater Treatment Facility Improvements | 48,750 | 0.00% |
| Security National Bank Loan | 4,794 | 2.64% |
| Southern Hills Community Bank Loan | 50,834 | 5.00% |
| OWDA-8256 WTP Filter Replacement Loan | 613,097 | 1.04% |
| OPWC-CO18V WTP Filter Replacement Loan | 89,999 | 0.00% |
| Total | \$ 1,338,022 | |

The Ohio Water Development Authority (OWDA) loan 4272 relates to the latest sewer plant upgrade project which the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$2,122,189 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$53,054.73, with no interest, over 20 years with the loan maturing on January 1, 2026. The scheduled payment amount below assumes that \$1,591,641.90 will be borrowed. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan CO14G relates to the wastewater treatment plant improvements. This loan was established in 2005 for \$150,000 at 0% interest for twenty years and will mature on July 1, 2026. Semiannual payments of \$3,750 are made from the sewer fund.

In 2016 the Village acquired the vacant bank building located at 2 S. Main St. for \$1. The Village issued bonds through Security National Bank in the amount of \$22,000. The purpose of the bonds was for repairs to the exterior of the building. The term of the loan was for five years with an interest rate of 2.64%. Semiannual payments of \$2,384 began in June 2017. Payments are made from the General Fund, with the final payment due December 15, 2021.

In 2018 the Village acquired the property and building located at 48 N. Main St. for \$85,000. The Village issued a \$68,000 loan through Southern Hills Community Bank. The term of the loan is seven years with an interest rate of 5%. Annual payments of \$11,777 began November 1, 2019. The actual amount of the final payment will depend on the payment record. The final payment is due November 1, 2025.

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2020

The OWDA loan 8256 relates to a water treatment plant upgrade. This loan was established in 2019 for \$680,184 at 1.04% interest for thirty years and matures on July 1, 2049. As of December 31, 2019, \$637,261 of the loan balance had been expended. An additional \$5,055 was disbursed in 2020, for a total amount expended of \$642,316. Semiannual payments of \$12,489.56 are made from the Water Fund.

The OPWC loan CO18V relates to water treatment facility improvements. This loan was established in 2019 for \$89,999 at 0% interest for thirty years and matures on January 1, 2050. Semiannual payments of \$1,500 will be made from the water fund, with the first payment due in January 2021.

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

| Year ending December 31: | OWDA Loan #4272 | OPWC Loan #CO14G | Security National Bank Loan | Southern Hills Bank Loan | OWDA Loan #8256 | OPWC Loan #CO18VL | Total |
|--------------------------------|--------------------|------------------------|-----------------------------------|--------------------------------|--------------------|-------------------------|---------------------|
| 2021 | \$ 106,110 | \$ 7,500 | \$ 4,816 | \$ 11,777 | \$ 24,979 | \$ 3,000 | \$ 158,182 |
| 2022 | 106,109 | 7,500 | - | 11,777 | 24,979 | 3,000 | 153,365 |
| 2023 | 106,110 | 7,500 | - | 11,777 | 24,979 | 3,000 | 153,366 |
| 2024 | 106,109 | 7,500 | - | 11,777 | 24,979 | 3,000 | 153,365 |
| 2025 | 106,110 | 7,500 | - | 11,777 | 24,979 | 3,000 | 153,366 |
| 2026-2030 | - | 11,250 | - | - | 124,895 | 15,000 | 151,145 |
| 2031-2035 | - | - | - | - | 124,895 | 15,000 | 139,895 |
| 2036-2040 | - | - | - | - | 124,895 | 15,000 | 139,895 |
| 2041-2045 | - | - | - | - | 124,895 | 15,000 | 139,895 |
| 2046-2050 | - | - | - | - | 87,427 | 14,999 | 102,426 |
| Total | <u>\$ 530,548</u> | <u>\$ 48,750</u> | <u>\$ 4,816</u> | <u>\$ 58,885</u> | <u>\$ 711,902</u> | <u>\$ 89,999</u> | <u>\$ 1,444,900</u> |

Note 11 – 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 12 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

| Fund Balances | Special | | Total |
|--------------------------|-----------------|---------------|-----------------|
| | General | Revenue | |
| Outstanding Encumbrances | \$ 5,185 | \$ 609 | \$ 5,794 |
| <i>Total</i> | <u>\$ 5,185</u> | <u>\$ 609</u> | <u>\$ 5,794</u> |

The fund balances of special revenue funds are either restricted or committed. These restricted or committed amounts in the special revenue funds would include outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Village of Jeffersonville, Ohio
Fayette County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 13 – COVID-19

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

Note 14 – Restatement of Fund Balances

The fund cash balances at January 1, 2020 have been restated for the effect of correcting deposits that were originally reported as receipts during 2019. The adjustments resulted in decreasing the January 1, 2020 fund cash balance in the Village's proprietary fund type by \$86.

Note 15 – Change in Reporting Model

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, 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. There was no effect on the beginning fund balance.

Bastin & Company, LLC

Certified Public Accountants

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

Village of Jeffersonville
Fayette County
4 North Main Street
Jeffersonville, Ohio 43128

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Jeffersonville, Fayette County, (the Village) and have issued our report thereon dated August 31, 2022, wherein we noted the Entity followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. In addition, in 2020, the Village restated beginning fund cash balances and made several changes to its reporting model.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 2021-01.

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bastin & Company, LLC

Williamsburg, Ohio
August 31, 2022

Village of Jeffersonville, Ohio
Fayette County
Schedule of Findings
December 31, 2021 and 2020

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

Finding Number 2021-01 – Budgetary Compliance

Noncompliance

Ohio Revised Code § 5705.41 (B) states no subdivision or taxing unit is to expend money unless it has been appropriated. During 2021 and 2020, the Village had the following funds with expenditures greater than appropriation authority.

| <u>Year/Fund</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|----------------------|------------------------------------|-----------------------------------|-----------------|
| <i>2021</i> | | | |
| American Rescue Plan | \$ - | \$ 44,164 | \$(44,164) |
| <i>2020</i> | | | |
| State Highway | 10,000 | 10,510 | (510) |
| Corona Virus Relief | - | 111,037 | (111,037) |
| Water | 337,187 | 375,966 | (38,779) |

We recommend the Village compare expenditures versus appropriation authority throughout the year to ensure that expenditures do not exceed appropriation authority.

Village’s Response

The Village will attempt to more closely monitor budgetary compliance in the future.

Village of Jeffersonville, Ohio
Fayette County
Summary Schedule of Prior Audit Findings
December 31, 2021 and 2020

| Finding Number | Finding Summary | Status | Additional Information |
|----------------|-------------------|-----------|---|
| 2019-01 | Audit Adjustments | Corrected | Minor adjustments have been reported in a management letter |

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF JEFFERSONVILLE

FAYETTE 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 10/25/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov