



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF ASHVILLE
PICKAWAY COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

www.bhmcgroup.com

OHIO AUDITOR OF STATE
KEITH FABER



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

Village Council
Village of Ashville
200 Station Street
Ashville, OH 43103

We have reviewed the *Independent Auditor's Report* of the Village of Ashville, Pickaway County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

July 14, 2023

This page intentionally left blank.

VILLAGE OF ASHVILLE
PICKAWAY COUNTY

For the Years Ended December 31, 2022 and 2021
Table of Contents

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report.....	1
Basic Financial Statements:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2022.....	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type For the Year Ended December 31, 2022.....	5
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) – Fiduciary Fund Type For the Year Ended December 31, 2022.....	6
Notes to the Basic Financial Statements For the Year Ended December 31, 2022.....	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types For the Year Ended December 31, 2021.....	18
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Type For the Year Ended December 31, 2021.....	19
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) – Fiduciary Fund Type For the Year Ended December 31, 2021.....	20
Notes to the Basic Financial Statements For the Year Ended December 31, 2021.....	21
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	32
Schedule of Findings.....	34
Summary Schedule of Prior Audit Findings.....	35



INDEPENDENT AUDITOR'S REPORT

Village of Ashville
Pickaway County
200 Station Street
Ashville, Ohio 43103

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 Ashville, Pickaway County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022, and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022, and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

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

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.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
June 27, 2023

**VILLAGE OF ASHVILLE
PICKAWAY COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 200,819	\$ -	\$ 200,819
Municipal Income Tax	1,740,132	-	1,740,132
Intergovernmental	335,284	311,042	646,326
Charges for Services	486,116	-	486,116
Fines, Licenses, and Permits	166,058	11,111	177,169
Earnings on Investments	2,180	503	2,683
Miscellaneous	2,996	10,000	12,996
	<u>2,933,585</u>	<u>332,656</u>	<u>3,266,241</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	982,577	600	983,177
Public Health Services	20,456	-	20,456
Leisure Time Activities	167,105	-	167,105
Community Environment	93,655	-	93,655
Basic Utility Services	514,983	-	514,983
Transportation	179,605	207,325	386,930
General Government	798,101	11,052	809,153
Debt Service:			
Redemption of Principal	3,889	16,054	19,943
Interest and Fiscal Charges	606	566	1,172
	<u>2,760,977</u>	<u>235,597</u>	<u>2,996,574</u>
Total Cash Disbursements			
Excess of Receipts Over/(Under) Disbursements	172,608	97,059	269,667
Other Financing Receipts (Disbursements):			
Other Financing Sources	14	-	14
Other Financing Uses	(6,923)	-	(6,923)
	<u>(6,909)</u>	<u>-</u>	<u>(6,909)</u>
Total Other Financing Receipts (Disbursements)			
Net Change in Fund Cash Balances	165,699	97,059	262,758
Fund Cash Balances, January 1	696,397	892,027	1,588,424
Fund Cash Balances, December 31	<u>\$ 862,096</u>	<u>\$ 989,086</u>	<u>\$ 1,851,182</u>

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

**VILLAGE OF ASHVILLE
PICKAWAY COUNTY**

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

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$ 1,793,475
Fines, Licenses & Permits	630
	1,794,105
Total Operating Cash Receipts	1,794,105
Operating Cash Disbursements	
Personal services	285,177
Fringe benefits	169,149
Contractual services	529,603
Supplies and Materials	192,712
Other	10,432
	1,187,073
Total Operating Cash Disbursements	1,187,073
<i>Operating Income (Loss)</i>	<i>607,032</i>
Non-Operating Receipts (Disbursements)	
Intergovernmental	8,905
Special Assessments	699
Miscellaneous Receipts	100
Capital Outlay	(588,363)
Principal	(525,295)
Interest	(79,494)
	(1,183,448)
Total Non-Operating Receipts (Disbursements)	(1,183,448)
<i>Net Change in Fund Cash Balances</i>	<i>(576,416)</i>
Fund Cash Balances, January 1	1,642,319
	1,642,319
Fund Cash Balances, December 31	\$ 1,065,903

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

VILLAGE OF ASHVILLE
PICKAWAY COUNTY

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

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	174,070
<i>Total Additions</i>	<u>174,070</u>
Deductions	
Other Distributions	160,834
<i>Total Deductions</i>	<u>160,834</u>
<i>Net Change in Fund Balances</i>	13,236
<i>Fund Cash Balances, January 1</i>	<u>90,771</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$104,007</u></u>

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

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Ashville (the Village), Pickaway 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 water and sewer utilities, waste removal services, park operations, and police services. The Village contracts with Harrison Township to receive fire protection services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in three jointly governed organizations, and a public entity risk pool. The Village participates in North Gate Alliance Cooperative Economic Development Agreement (CEDA), Northern Pickaway County Joint Economic Development District (JEDD), Madison Township Joint Economic Development District (JEDD), and the Ohio Plan Risk Management, Inc. (OPRM). Notes 6 and 11 to the financial statements provide additional information for these entities.

North Gate Alliance Cooperative Economic Development Agreement (CEDA) – the Village Council approved an agreement with the Pickaway County Board of Commissioners, Harrison Township, and the Village of South Bloomfield to cooperate in creating and preserving jobs and employment opportunities, and to cooperate in including and fostering economic development. See Note 11 for further information.

Northern Pickaway County Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Harrison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 11 for further information.

Madison Township Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Madison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 11 for further information.

Ohio Plan Risk Management, Inc. (OPRM) - 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.

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

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

Permissive Motor Vehicle License Tax Fund This fund receipts permissive motor vehicle tax money to maintain and repair roads that run through the village.

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.

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

Storm Water Fund This fund receives charges for services from residents to cover the cost of providing sewer services.

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 Mayor's Court activity and to hold and disburse monies related to development within the Village.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 (C) permit.

Budgetary Process

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

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

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

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

A summary of 2022 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.

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

Leases

The Village is the lessee in a lease (as defined by GASB 87) related to equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

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

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

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

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Note 3 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,732,260	\$2,933,599	\$201,339
Special Revenue	524,625	332,656	(191,969)
Enterprise	1,976,540	1,803,809	(172,731)
Fiduciary	208,092	174,070	(34,022)
Total	\$5,441,517	\$5,244,134	(\$197,383)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,913,761	\$2,796,368	\$1,117,393
Special Revenue	921,199	254,790	666,409
Enterprise	3,532,816	2,380,225	1,152,591
Fiduciary	260,938	160,834	100,104
Total	\$8,628,714	\$5,592,217	\$3,036,497

Note 4 – Deposits and Investments

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

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$3,021,092
Total deposits	3,021,092
Total carrying amount of deposits and investments held in the Pool (ties to FS)	3,021,092

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the village did not have any unremitted employee payroll withholdings.

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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, 2022, \$0 of deposits were not insured or collateralized.

Note 5 – Taxes

Property Taxes

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

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. Income tax collections are processed by the Regional Income Tax Agency (RITA). RITA collects the income tax on-behalf of the Village and remits it to the Village. The tax payments received from RITA are recorded in the accompanying financial statements as municipal income tax receipts.

Employers within the Village and the employers of Village residents 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.

Note 6 – Risk Management

The Government 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.

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2022 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

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

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

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

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan #7256	\$11,398,009	0.48%
OWDA Loan #7546 (Part A)	\$937,641	1.14%
OWDA Loan #7546 (Part B)	\$38,310	1.715
OPWC Loan #CT82P	\$71,156	0%
OPWC Loan #CT73N	\$174,939	0%
OPWC Loan #CQ39T	\$433,233	0%
The Savings Bank - Seawge System	\$138,136	3.75%
The Savings Bank - Service Department Trucks	\$6,660	3.25%
Gordon Flesch	\$3,228	11.38%
Total	<u>\$13,201,312</u>	

Above you will see that the Village has three loans outstanding with the Ohio Water Development Authority (OWDA) for the construction of the Waste Water Treatment Plant (WWTP), which will be repaid over 30 years. The next three loans are to the Ohio Public Works Commission (OPWC) with one for the construction of the WWTP and two for street and railroad crossing improvements. The loans will be repaid over 30, 20 and 20 years, respectively. The first Savings Bank loan is a low-rate 15-year loan obtained by the Village in 2011 to retire higher rate issued FmHA mortgage revenue bonds. The Village obtained a five-year loan from The Savings Bank in 2018 for two Service Dept. trucks. In 2022 the Village leased a copier from Gordon Flesch to be repaid over two years.

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Amortization

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

Year Ending December 31:	Service Department	Service Department						
		Sewage System	Trucks	Gordon Flesch	OPWC #CQ39T	OPWC #CT82P	OPWC #CT73N	OWDA #7456 (A&B)
2023	\$37,279	\$5,680	\$3,432	\$16,662	\$5,296	\$11,286	\$44,337	\$484,369
2024	37,279	0	858	\$16,662	\$5,296	\$11,286	\$44,337	\$484,369
2025	37,279	0	0	\$16,662	\$5,296	\$11,286	\$44,337	\$484,369
2026	37,279	0	0	\$16,662	\$5,296	\$11,286	\$44,337	\$484,369
2027	0	0	0	\$16,662	\$5,296	\$11,286	\$44,337	\$484,369
2028-2032	0	0	0	83,310	26,480	56,430	221,685	2,421,845
2033-2037	0	0	0	83,310	18,196	56,430	221,685	2,421,845
2038-2042	0	0	0	83,310	0	5,649	221,685	2,421,845
2043-2047	0	0	0	83,310	0	0	221,685	2,421,845
2048-2052	0	0	0	16,683	0	0	44,337	242,185
Total	\$149,116	\$5,680	\$4,290	\$433,233	\$71,156	\$174,939	\$1,152,762	\$12,351,410

Note 10 – Contingent Liabilities

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

Note 11 – Jointly Governed Organizations

North Gate Alliance Co-operative Economic Development Agreement (CEDA) – The CEDA agreement addresses the issues of utility services, annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes the Village. The North Gate Alliance CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

Northern Pickaway County Joint Economic Development District (JEDD) – this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Harrison Township. The contracting parties have previously contributed an aggregate amount of \$18,468 to pay initial formation, administration and other costs related to the District. The Village did not contribute funds to the formation of the District, but agreed to the annexation moratorium described below. A Board of Directors has been established, which includes one member representing Columbus, one representing Harrison Township, and one member selected by the two members described above.

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board’s duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District’s fiscal year is a calendar year, and the Board adopts an annual budget.

Overriding the JEDD agreement is an Annexation Moratorium Agreement (the “Agreement”) dated August 30, 2007 by and among the City of Columbus, Ohio (“Columbus”), the Village, the Village of South Bloomfield, Ohio (“South Bloomfield”), and Harrison Township. This agreement established a 50 year moratorium on annexation of an area of land bounded by Harrison Township line in the east, the Scioto River in the west and Duvall Road in the south by any of the municipalities that are a party to the agreement.

Madison Township Joint Economic Development District (JEDD) - this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Madison Township. A Board of Directors has been established, which includes one member representing Columbus, one representing Madison Township, and one member selected by the other two members described above. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board’s duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District’s fiscal year shall be the calendar year. The Board shall adopt an annual budget for the District.

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	Special Revenue	Total
Outstanding Encumbrances	28,468	19,193	47,661
<i>Total</i>	<u>\$28,468</u>	<u>\$19,193</u>	<u>\$47,661</u>

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

Village of Ashville, Ohio
Pickaway County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

**VILLAGE OF ASHVILLE
PICKAWAY 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**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Taxes	\$ 208,222	\$ -	\$ 208,222
Municipal Income Tax	1,560,085	-	1,560,085
Intergovernmental	82,664	544,314	626,978
Charges for Services	406,631	-	406,631
Fines, Licenses, and Permits	123,477	14,400	137,877
Earnings on Investments	2,438	573	3,011
Miscellaneous	12,022	51	12,073
	<u>2,395,539</u>	<u>559,338</u>	<u>2,954,877</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	924,490	2,125	926,615
Public Health Services	20,782	-	20,782
Leisure Time Activities	136,796	650	137,446
Community Environment	89,460	-	89,460
Basic Utility Services	418,785	-	418,785
Transportation	157,162	132,423	289,585
General Government	478,958	255,778	734,736
Debt Service:			
Redemption of Principal	7,636	16,054	23,690
Interest and Fiscal Charges	288	566	854
	<u>2,234,357</u>	<u>407,596</u>	<u>2,641,953</u>
Total Cash Disbursements			
Excess of Receipts Over/(Under) Disbursements	161,182	151,742	312,924
Other Financing Receipts (Disbursements):			
Other Financing Uses	(30,079)	-	(30,079)
	<u>(30,079)</u>	<u>-</u>	<u>(30,079)</u>
Total Other Financing Receipts (Disbursements)			
Net Change in Fund Cash Balances	131,103	151,742	282,845
Fund Cash Balances, January 1	565,294	740,285	1,305,579
Fund Cash Balances, December 31	<u>\$ 696,397</u>	<u>\$ 892,027</u>	<u>\$ 1,588,424</u>

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

**VILLAGE OF ASHVILLE
PICKAWAY COUNTY**

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

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$ 1,804,285
Fines, Licenses & Permits	1,190
	<hr/>
Total Operating Cash Receipts	1,805,475
Operating Cash Disbursements	
Personal services	253,583
Fringe benefits	141,103
Contractual services	580,635
Supplies and Materials	221,704
Other	10,744
	<hr/>
Total Operating Cash Disbursements	1,207,769
<i>Operating Income (Loss)</i>	597,706
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	455
Capital Outlay	(180,789)
Principal	(525,156)
Interest	(77,720)
	<hr/>
Total Non-Operating Receipts (Disbursements)	(783,210)
<i>Net Change in Fund Cash Balances</i>	(185,504)
Fund Cash Balances, January 1, As Restated in Note 14	<hr/> 1,827,823
Fund Cash Balances, December 31	<u><u>\$ 1,642,319</u></u>

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

VILLAGE OF ASHVILLE
PICKAWAY COUNTY

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

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	109,750
<i>Total Additions</i>	<u>109,750</u>
Deductions	
Other Distributions	62,735
<i>Total Deductions</i>	<u>62,735</u>
<i>Net Change in Fund Balances</i>	47,015
<i>Fund Cash Balances, January 1</i>	<u>43,756</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$90,771</u></u>

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

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

Note 1 – Reporting Entity

The Village of Ashville (the Village), Pickaway 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 water and sewer utilities, waste removal services, park operations, and police services. The Village contracts with Harrison Township to receive fire protection services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in three jointly governed organizations, and a public entity risk pool. The Village participates in North Gate Alliance Cooperative Economic Development Agreement (CEDA), Northern Pickaway County Joint Economic Development District (JEDD), Madison Township Joint Economic Development District (JEDD), and the Ohio Plan Risk Management, Inc. (OPRM). Notes 6 and 11 to the financial statements provide additional information for these entities.

North Gate Alliance Cooperative Economic Development Agreement (CEDA) – the Village Council approved an agreement with the Pickaway County Board of Commissioners, Harrison Township, and the Village of South Bloomfield to cooperate in creating and preserving jobs and employment opportunities, and to cooperate in including and fostering economic development. See Note 11 for further information.

Northern Pickaway County Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Harrison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 11 for further information.

Madison Township Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Madison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 11 for further information.

Ohio Plan Risk Management, Inc. (OPRM) - 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.

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

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

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.

Permissive Motor Vehicle License Tax Fund This fund receipts permissive motor vehicle tax money to maintain and repair roads that run through the village.

Coronavirus-19 Relief Fund This fund received state grant funds to be used for COVID-19 related expenses.

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.

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

Storm Water Fund This fund receives charges for services from residents to cover the cost of providing sewer services.

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

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 Mayor's Court activity and to hold and disburse monies related to development within the Village.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 (C) permit.

Budgetary Process

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

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

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

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

A summary of 2021 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.

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

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.

Leases

The Village is the lessee in a lease (as defined by GASB 87) related to equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

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

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

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

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

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

Note 3 – Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,376,795	\$2,395,539	\$18,744
Special Revenue	573,912	559,338	(14,574)
Enterprise	1,827,119	1,805,930	(21,189)
Fiduciary	108,000	109,750	1,750
Total	\$4,885,826	\$4,870,557	(\$15,269)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,195,761	\$2,336,208	\$859,553
Special Revenue	1,078,113	411,435	666,678
Enterprise	3,540,401	1,991,434	1,548,967
Fiduciary	123,607	62,735	60,872
Total	\$7,937,882	\$4,801,812	\$3,136,070

Note 4 – Deposits and Investments

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

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$3,321,514
Total deposits	3,321,514
Total carrying amount of deposits and investments held in the Pool (ties to FS)	3,321,514

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the village did not have any unremitted employee payroll withholdings.

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

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, 2021, \$0 of deposits were not insured or collateralized.

Note 5 – Taxes

Property Taxes

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

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. Income tax collections are processed by the Regional Income Tax Agency (RITA). RITA collects the income tax on-behalf of the Village and remits it to the Village. The tax payments received from RITA are recorded in the accompanying financial statements as municipal income tax receipts.

Employers within the Village and the employers of Village residents 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.

Note 6 – Risk Management

The Government 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.

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

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

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

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

Note 8 – Postemployment Benefits

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

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

Note 9 – Debt

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

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan #7256	\$11,826,125	0.48%
OWDA Loan #7546 (Part A)	\$969,159	1.14%
OWDA Loan #7546 (Part B)	\$39,499	1.715
OPWC Loan #CT82P	\$79,453	0%
OPWC Loan #CT73N	\$186,225	0%
OPWC Loan #CQ39T	\$449,896	0%
The Savings Bank - Sewage System	\$169,371	3.75%
The Savings Bank - Service Department Trucks	\$16,887	3.25%
The Savings Bank - WTP Truck	\$9,063	3%
Gordon Flesch	\$872	11.38%
Total	<u>\$13,746,550</u>	

Above you will see that the Village has three loans outstanding with the Ohio Water Development Authority (OWDA) for the construction of the Waste Water Treatment Plant (WWTP), which will be repaid over 30 years. The next three loans are to the Ohio Public Works Commission (OPWC) with one for the construction of the WWTP and two for street and railroad crossing improvements. The loans will be repaid over 30, 20 and 20 years, respectively. The first Savings Bank loan is a low-rate 15-year loan obtained by the Village in 2011 to retire higher rate issued FmHA mortgage revenue bonds. The Village obtained a five-year loan from The Savings Bank in 2018 for two Service Dept. trucks. In 2019 the Village obtained a three-year loan with The Savings Bank for the purchase of a truck Water Treatment Plant (WTP). In 2018 the Village leased a copier from Gordon Flesch to be repaid over five years.

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

Amortization

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

Year Ending	Service Department	Water Department		OPWC	OPWC	OPWC	OWDA #7456		
December 31:	Sewage System	Trucks	Truck	Gordon Flesch	#CQ39T	#CT82P	#CT73N	(A&B)	OWDA #7526
2022	\$37,279	\$11,360	\$9,158	\$872	\$16,662	\$5,296	\$11,286	\$44,337	\$484,369
2023	37,279	5,680	0	0	\$16,662	\$5,296	\$11,286	\$44,337	\$484,369
2024	37,279	0	0	0	\$16,662	\$5,296	\$11,286	\$44,337	\$484,369
2025	37,279	0	0	0	\$16,662	\$5,296	\$11,286	\$44,337	\$484,369
2026	37,279	0	0	0	\$16,662	\$5,296	\$11,286	\$44,337	\$484,369
2027-2031	0	0	0	0	83,310	26,480	56,430	221,685	2,421,845
2032-2036	0	0	0	0	83,310	26,493	56,430	221,685	2,421,845
2037-2041	0	0	0	0	83,310	0	16,935	221,685	2,421,845
2042-2046	0	0	0	0	83,310	0	0	221,685	2,421,845
2047-2051	0	0	0	0	33,346	0	0	88,674	726,554
Total	\$186,395	\$17,040	\$9,158	\$872	\$449,896	\$79,453	\$186,225	\$1,197,099	\$12,835,779

Note 10 – Contingent Liabilities

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

Note 11 – Jointly Governed Organizations

North Gate Alliance Co-operative Economic Development Agreement (CEDA) – The CEDA agreement addresses the issues of utility services, annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes the Village. The North Gate Alliance CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

Northern Pickaway County Joint Economic Development District (JEDD) – this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Harrison Township. The contracting parties have previously contributed an aggregate amount of \$18,468 to pay initial formation, administration and other costs related to the District. The Village did not contribute funds to the formation of the District, but agreed to the annexation moratorium described below. A Board of Directors has been established, which includes one member representing Columbus, one representing Harrison Township, and one member selected by the two members described above.

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

The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board’s duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District’s fiscal year is a calendar year, and the Board adopts an annual budget.

Overriding the JEDD agreement is an Annexation Moratorium Agreement (the “Agreement”) dated August 30, 2007 by and among the City of Columbus, Ohio (“Columbus”), the Village, the Village of South Bloomfield, Ohio (“South Bloomfield”), and Harrison Township. This agreement established a 50 year moratorium on annexation of an area of land bounded by Harrison Township line in the east, the Scioto River in the west and Duvall Road in the south by any of the municipalities that are a party to the agreement.

Madison Township Joint Economic Development District (JEDD) - this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Madison Township. A Board of Directors has been established, which includes one member representing Columbus, one representing Madison Township, and one member selected by the other two members described above. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board’s duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District’s fiscal year shall be the calendar year. The Board shall adopt an annual budget for the District.

Note 12 – Fund Balances

Encumbrances are commitments related to underperformed 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	Special Revenue	Total
Outstanding Encumbrances	71,772	3,839	75,611
<i>Total</i>	<u>\$71,772</u>	<u>\$3,839</u>	<u>\$75,611</u>

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

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

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 funding, either federal or state, cannot be estimated.

Note 14 – Restatement of Beginning Balances

	<u>Enterprise</u>
2021 Beginning Fund Balance	\$ 1,827,732
2020 Voided Disbursements	<u>91</u>
2021 Restated Beginning Fund Balance	<u>\$ 1,827,823</u>



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

Village of Ashville
Pickaway County
200 Station Street
Ashville, Ohio 43103

To the Village Council:

We have audited, in accordance the with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Ashville, Pickaway County, (the Village) and have issued our report thereon dated June 27, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



BHM CPA Group, Inc.
Piketon, Ohio

June 27, 2023

**Village of Ashville
Pickaway County
Schedule of Findings
December 31, 2022 and 2021**

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

FINDING NUMBER 2022-001

MATERIAL WEAKNESS

Sound financial reporting is the responsibility of the fiscal officer and Village Council and is essential to ensure information provided to the readers of the financial statements is complete and accurate.

Material and immaterial misstatements were identified during the course of the audit which have not been prevented or detected by the Village's internal controls over financial reporting. Misstatements were identified in the following areas:

- Fines, Licenses and Permits for Distribution
- Other Distributions
- Fund Balance
- Principal
- Interest
- Contractual Services

To ensure the Village's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Ohio Village Officer's Handbook for guidance on the correct line item to post various receipts and expenditures of the Village.

Client Response: We did not receive a response from Officials to this finding.

**Village of Ashville
Pickaway County
Summary Schedule of Prior Audit Findings
December 31, 2022 and 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Material Weakness – Financial Reporting	Not Corrected	Reissued as 2022-001, Corrective Action Plan is included within Finding 2022-001

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ASHVILLE

PICKAWAY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 7/27/2023

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

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