

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019

**Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd. Building G
Zanesville, Ohio 43701**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Members of Council
Village of Barnesville
PO Box 190
Barnesville, OH 43713

We have reviewed the *Independent Auditors' Report* of the Village of Barnesville, Belmont County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

June 22, 2021

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**VILLAGE OF BARNESVILLE
BELMONT COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Village of Barnesville
Belmont County
P.O. Box 190
Barnesville, Ohio 43713

To the Village Council:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

As discussed in Note 17 to the 2020 financial statements and Note 16 to the 2019 financial statements, during 2020, the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 19, 2021, on our consideration of Village of Barnesville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 19, 2021

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts					
Property Tax and Other Local Taxes	\$ 163,326	\$ 123,083	\$ -	\$ -	\$ 286,409
Municipal Income Tax	955,911	-	-	-	955,911
Intergovernmental	162,118	731,442	-	-	893,560
Special Assessments	-	-	-	16,871	16,871
Charges for Services	43,783	544,311	-	-	588,094
Fines, Licenses, and Permits	46,145	1,946	-	-	48,091
Earnings on Investments	220,424	-	-	-	220,424
Miscellaneous	282,104	61,950	-	-	344,054
Total Cash Receipts	<u>1,873,811</u>	<u>1,462,732</u>	<u>-</u>	<u>16,871</u>	<u>3,353,414</u>
Cash Disbursements					
Current:					
Security of Persons and Property	682,287	1,042,419	-	-	1,724,706
Public Health Services	-	93,818	-	-	93,818
Leisure Time Activities	26,549	238,695	-	-	265,244
Basic Utility Services	70,268	17,369	-	-	87,637
Transportation	-	569,709	-	-	569,709
General Government	638,281	35,851	-	-	674,132
Capital Outlay	56,470	63,861	-	113,400	233,731
Debt Service					
Principal Retirement	-	-	170,634	-	170,634
Interest and Fiscal Charges	-	-	23,984	-	23,984
Total Cash Disbursements	<u>1,473,855</u>	<u>2,061,722</u>	<u>194,618</u>	<u>113,400</u>	<u>3,843,595</u>
Excess of Receipts Over/(Under) Disbursements	399,956	(598,990)	(194,618)	(96,529)	(490,181)
Other Financing Receipts/(Disbursements)					
Sale of Bonds	-	130,000	-	-	130,000
Other Debt Proceeds	-	63,861	-	-	63,861
Sale of Capital Assets	-	10,000	-	-	10,000
Transfers - In	47,994	1,625,000	232,122	189,915	2,095,031
Transfers - Out	(1,825,854)	(59,880)	-	-	(1,885,734)
Total Other Financing Receipts/(Disbursements)	<u>(1,777,860)</u>	<u>1,768,981</u>	<u>232,122</u>	<u>189,915</u>	<u>413,158</u>
Net Change in Cash Fund Balances	(1,377,904)	1,169,991	37,504	93,386	(77,023)
Fund Cash Balances, January 1, 2020	<u>4,332,971</u>	<u>1,363,769</u>	<u>-</u>	<u>171,729</u>	<u>5,868,469</u>
Fund Cash Balances, December 31, 2020	<u>\$ 2,955,067</u>	<u>\$ 2,533,760</u>	<u>\$ 37,504</u>	<u>\$ 265,115</u>	<u>\$ 5,791,446</u>

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

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

	Proprietary
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 2,362,142
Fines, Licenses and Permits	-
Miscellaneous	45,607
	45,607
Total Operating Cash Receipts	2,407,749
Operating Cash Disbursements:	
Personal Services	547,758
Employee Fringe Benefits	266,969
Contractual Services	274,186
Supplies and Materials	490,893
Other	7,285
	7,285
Total Operating Cash Disbursements	1,587,091
Operating Income/(Loss)	820,658
Non-Operating Receipts (Disbursements):	
Capital Outlay	(9,814)
	(9,814)
Total Non-Operating Receipts (Disbursements):	(9,814)
Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances	810,844
Transfers In	-
Transfers Out	(209,295)
Net Change in Fund Cash Balances	601,549
Fund Cash Balances, January 1	6,527,269
Fund Cash Balances, December 31	\$ 7,128,818

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**COMBINED STATEMENT OF ADDITIONA, DEDUCTIONS AND
CHANGES IN FUND CASH BALANCES
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Fiduciary
	Custodial
Additions:	
Amounts Received as Fiscal Agent	\$ 19,009
Total Additions	19,009
Deductions:	
Distributions as Fiscal Agent	19,009
Total Deductions	19,009
Net Change in Fund Cash Balances	-
Fund Cash Balances, January 1	15,675
Fund Cash Balances, December 31	\$ 15,675

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Barnesville, Belmont County, (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, street maintenance, emergency management, fire protection and police services. The Village appropriates general fund money to support a volunteer fire department.

The Village participates in jointly governed organizations. Note 11 to the financial statements provides additional information for these entities.

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

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

Fund Accounting

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

Governmental Funds

General Fund

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

Emergency Medical Services Fund – This fund receives charges for services from residents to provide emergency medical services.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Funds

These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Ohio Water Development Authority (OWDA) Note Fund – This fund receives sewer revenue money to make principal and interest payments towards an OWDA loan for wastewater treatment plant sludge improvement.

Capital Project Fund

These funds are used to account for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Industrial Park Sewage Fund - This fund received funding from the County and a mandated percentage from income tax collection in 2015 for construction of a sewer system in the Industrial Park for JEDD #1.

Enterprise Funds

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

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

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

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 the financial activity of Mayors Court and the JEDD #2.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

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

The Village values certificates of deposit, U.S. Treasury Notes and common stock at cost or fair value when donated. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as 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* via formal action (resolution). The Village must adhere to these commitments unless council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2020 is as follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,860,626	\$ 1,921,805	\$ 61,179
Special Revenue	3,242,721	3,291,593	48,872
Debt Service	232,122	232,122	-
Capital Projects	200,915	206,786	5,871
Enterprise	2,592,367	2,407,749	(184,618)
Total	\$ 8,128,751	\$ 8,060,055	\$ (68,696)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 5,748,804	\$ 3,361,020	\$ 2,387,784
Special Revenue	3,160,600	2,154,804	1,005,796
Debt Service	232,122	231,779	343
Capital Projects	283,299	113,400	169,899
Enterprise	3,394,127	1,756,318	1,637,809
Total	\$ 12,818,952	\$ 7,617,321	\$ 5,201,631

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 deposits and investment accounts are as follows:

	2020
<i>Cash Management Pool:</i>	
Demand Deposits	\$ 1,969,306
Certificates of Deposit	3,998,089
Total Deposits	5,967,395
Municipal Bonds	5,959,392
Money Market	985,644
STAR Ohio	2,162
Donated Common Stock	21,346
Total Investments	\$ 6,968,544
Total carrying amount of deposits and investments held in Pool	\$ 12,935,939

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statements reflect gross payroll. The balance in the Village's payroll clearing account represent unremitted employee payroll withholdings.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. DEPOSITS AND INVESTMENTS (Continued)

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

Investments: An investment firm holds the Village's equity securities in book-entry form in the Village's name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. Donated stocks are valued at the value at the time of donation.

5. PROPERTY TAX

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

6. LOCAL INCOME TAX

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, JEDD #1, and JEDD #2 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.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- * Comprehensive property and general liability
- * Vehicles
- * Errors and omissions

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2020, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.0% of participant's gross salaries. The Village has paid all contributions required through December 31, 2020.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

8. DEFINED BENEFIT PENSION PLAN

Ohio Police and Fire Retirement

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants in 2020 contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer's wages. The Village has paid all contributions required through December 31, 2020.

Social Security

Several Village employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

9. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F 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 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

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

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

10. DEBT

Debt outstanding at December 31, 2020 was as follows:

	2020	
	<u>Principal</u>	<u>%</u>
Ohio Public Works Commission CR07G	\$ 11,254	2.00
Ohio Public Works Commission CR17I	128,792	2.00
Ohio Public Works Commission CR18C	14,000	2.00
Ohio Public Works Commission CR19F	12,010	2.00
Ohio Public Works Commission CR20K	26,950	0.00
Ohio Public Works Commission CR23L	6,857	0.00
Ohio Public Works Commission CR24U	44,000	0.00
Ohio Public Works Commission CT66E	44,625	0.00
Ohio Public Works Commission CT73F	7,401	0.00
Ohio Public Works Commission CR20V	60,668	0.00
USDA Police Vehicle Bonds	18,700	3.87
USDA Fire Truck Bonds	42,000	3.00
USDA EMS Vehicle Bonds	130,000	2.00
Ohio Water Development Authority #5410	281,112	1.00
Ohio Water Development Authority #3501	771,054	2.00
Total	<u>\$ 1,599,423</u>	

The Ohio Public Works Commission Loan CR07G is a 2% loan used for the Sewage Relining Project. The loan will be repaid in semiannual installments of \$1,471, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR24U is a 0% loan used for paving Village streets. The loan will be repaid in semiannual installments of \$2,750 over 10 years. The loan is collateralized by the Villages taxing authority.

The Ohio Public Works Commission Loan CR17I is a 2% loan used for the Water Treatment Plant Expansion. The loan will be repaid in semiannual installments of \$9,289, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR18C is a 2% loan used for Water Line Improvements. The loan will be repaid in semiannual installments of \$7,105, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR19F is a 2% loan used for the Bailey Road Waterline. The loan will be repaid in semiannual installments of \$1,785, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR20K is a 0% loan used for WWTP Improvements. The loan will be repaid in semiannual installments of \$1,225, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

10. DEBT (Continued)

The Ohio Public Works Commission Loan CR23L is a 0% loan used for Sanitary Sewer Rehabilitation. The loan will be repaid in semiannual installments of \$361, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CT66E is a 0% loan used for the Water Treatment Plant Replacement. The loan will be repaid in semiannual installments of \$8,925, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CT73F is a 0% loan used for the Wastewater Collection-Lift Station. The loan will be repaid in semiannual installments of \$1,057, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR20V is a 0% loan used for paving Village streets. The loan will be repaid in semiannual installments of \$3,193 over 10 years. The loan is collateralized by the Villages taxing authority.

The United States Department of Agriculture (USDA) of \$23,000 relates to the Village purchasing a police cruiser K-9 unit with related equipment in 2019. The bonds will be repaid over five years bearing interest of 3.875%.

The United States Department of Agriculture (USDA) of \$46,000 relates to the Village purchasing a 2020 GMC Sierra truck to be used by the fire department in 2019. The bonds will be repaid over ten years bearing interest of 3%.

The United States Department of Agriculture (USDA) of \$130,000 relates to the Village purchasing an EMS Vehicle to be used by the EMS department in 2020. The bonds will be repaid over ten years bearing interest of 2%.

The Ohio Water Development Authority (OWDA) loan #5410 relates to the WWTP Sludge Handling Improvements. The OWDA has approved \$511,285 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$14,135, including interest at a rate of 1%, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #3501 relates to the Water Treatment Plant. The OWDA has approved \$2,324,133 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$59,295, including interest at a rate of 2%, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

10. DEBT (Continued)

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

Year Ending December 31	OPWC CR07G	OPWC CR17I	OPWC CR18C	OPWC CR19F	OPWC CR20K
2021	\$ 4,300	\$ 26,579	\$ 14,000	\$ 5,305	\$ 3,675
2022	2,942	18,578	-	3,570	2,450
2023	2,942	18,578	-	3,570	2,450
2024	2,942	18,578	-	1,875	2,450
2025	-	18,578	-	-	2,450
2026-2030	-	27,867	-	-	12,250
2031-2035	-	-	-	-	1,225
	<u>\$ 13,126</u>	<u>\$ 128,758</u>	<u>\$ 14,000</u>	<u>\$ 14,320</u>	<u>\$ 26,950</u>

Year Ending December 31	OPWC CR23L	OPWC CT66E	OPWC CT73F	OWDA #5410	OWDA #3501
2021	\$ 1,083	\$ 26,775	\$ 3,171	\$ 28,270	\$ 118,590
2022	722	17,850	2,115	28,270	118,590
2023	722	-	2,115	28,270	118,590
2024	722	-	-	28,270	118,590
2025	722	-	-	28,270	118,590
2026-2030	2,886	-	-	141,350	237,180
2031-2035	-	-	-	14,135	-
	<u>\$ 6,857</u>	<u>\$ 44,625</u>	<u>\$ 7,401</u>	<u>\$ 296,835</u>	<u>\$ 830,130</u>

Year Ending December 31	OPWC CR24U	OPWC CR20V	K-9 Bonds	Truck Bonds	EMS Bonds
2021	\$ 8,250	\$ 9,579	\$ 5,125	\$ 5,360	\$ 14,340
2022	5,500	6,386	5,154	5,437	14,612
2023	5,500	6,386	5,076	5,408	14,555
2024	5,500	6,386	5,194	5,376	14,493
2025	5,500	6,386	-	5,441	14,628
2026-2030	13,750	25,545	-	21,526	72,823
	<u>\$ 44,000</u>	<u>\$ 60,668</u>	<u>\$ 20,549</u>	<u>\$ 48,548</u>	<u>\$ 145,451</u>

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

10. DEBT (Continued)

Conduit Debt

Ohio Hills Health Services, Inc. (Ohio Hills) wished to acquire Wesbanco Bank's former office within Barnesville for use as a medical clinic. Ohio Hills could obtain financing from Wesbanco Bank at a lower cost, provided the Village acquired the property and leased it to Ohio Hills, with the requirement Ohio Hills made all payments on the mortgage in the form of lease payments and subsequently purchase the property from the Village at the conclusion of the lease.

The Village purchased the property from Wesbanco Bank on October 25, 2006 for the sum of \$325,000 and entered into a mortgage with Wesbanco Bank for an amount of \$325,000. The mortgage is non-recourse, provided that in the event of a default, the Village shall not be liable to pay any portion of the unpaid balance.

The Village entered into a lease-purchase agreement with Ohio Hills, provided Ohio Hills shall make monthly payments in a sufficient manner to pay all payments due on the mortgage to Wesbanco Bank. The lease also requires Ohio Hills to pay all taxes, insurance and maintenance of the property, and to hold the Village harmless against all claims. The lease requires Ohio Hills to purchase the building for \$1 after the Wesbanco Bank mortgage is paid in full. The mortgage was paid off by the Village of Barnesville on January 10, 2018 and Ohio Hills now has a loan payable to the Village of Barnesville.

11. JOINTLY GOVERNED ORGANIZATIONS

Belmont County Regional Airport Authority

Belmont County Regional Airport Authority (Authority) is the governing body for the Barnesville-Bradfield Airport. The Authority was created in August 2008. The original governing board is comprised of three trustees appointed by the Belmont County Commissioners and two trustees appointed by the Village of Barnesville. Hereafter, any trustee whose term expires or who resigns shall be replaced by the appointed Authority who originally appointed him or her. The Authority is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for the Authority.

Barnesville-Warren Township Joint Economic Development District #1

Barnesville-Warren Township Joint Economic Development District #1 (JEDD #1) was created December 8, 2008 between the Village of Barnesville and Warren Township to provide for the operation of the District in accordance with Sections 715.72 through 715.78 of the Ohio Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio. The Board of Directors shall consist of three members, one member representing the Village to be appointed by the Mayor with approval of Village Council, one member representing the Township, appointed by the Township Board of Trustees and one member selected by the members previously mentioned. The Board members shall serve without compensation. The Board shall meet at least once each calendar year.

The Board levied an income tax rate of 1.0% in the District in accordance with Section 715.74 of the Ohio Revised Code. The Board contracted with the Village of Barnesville to collect the income tax. Each quarter, the Village Tax Administrator shall provide the JEDD #1 with an amount sufficient to pay the outstanding or expected expenses of the operation of JEDD #1 for that quarter. Income tax monies in excess of those provided to JEDD #1 shall be credited to the Village to be spent as outlined in contractual agreement between JEDD #1 and the Village in Section 10. JEDD #1 is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for JEDD #1.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

11. JOINTLY GOVERNED ORGANIZATION (Continued)

Barnesville-Warren Township Joint Economic Development District #2

Barnesville-Warren Township Joint Economic Development District #2 (JEDD #2) was created June 18, 2012 between the Village of Barnesville and Warren Township to provide for the operation of the District in accordance with Sections 715.72 through 715.78 of the Ohio Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio. The Board of Directors shall consist of five members, one member representing the Village to be appointed by the Mayor with approval of Village Council, one member representing the Township, appointed by the Township Board of Trustees, one member representing the owners of businesses within the District, one member representing the persons working within the District, and one member selected by the other four members. The Board members shall serve without compensation. The Board shall meet at least once each calendar year.

The Board levied an income tax rate of 1.0% in the District in accordance with Section 715.74 of the Ohio Revised Code. The Board contracted with the Village of Barnesville to collect the income tax. Each quarter, the Village Tax Administrator shall provide the JEDD #2 with an amount sufficient to pay the outstanding or expected expenses of the operation of JEDD #2 for that quarter. Income tax monies in excess of those provided to JEDD #2 shall be credited to the Village to be spent as outlined in contractual agreement between JEDD #2 and the Village in Section 10. The Village of Barnesville maintains an Agency Fund for JEDD #2. JEDD #2 is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for JEDD #2.

12. CONTINGENT LIABILITIES

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

13. RELATED PARTY TRANSACTIONS

A Village Council member is part owner of a company from which the Village acquired hardware supplies during the year.

14. LOANS RECEIVABLE

In 2013, the Village loaned Ohio Hills Health Services \$142,743 with interest at the rate of 1% for the first five years and then increasing to 1.5% per annum in consecutive monthly installments of \$1,250 for the first 60 payments and \$1,266 for the remaining 60 payments commencing September 15, 2013. Amount outstanding as of December 31, 2020 is \$42,126 with an expected amount to be collected within a year of \$15,006.

In 2013, the Village loaned the Barnesville Hospital Association Inc. (the Hospital) \$1,500,000 with interest at the rate of 1% for the first five years then increasing to 1.5% for the next five years and then increasing to 2% per annum in equal monthly installments of \$10,052. During 2019, the Hospital made the monthly payments totaling \$120,622. Amount outstanding as of December 31, 2020 is \$4,012 with an expected amount to be collected within a year of \$4,012.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

14. LOANS RECEIVABLE (Continued)

On January 22, 2018, the conduit debt between the Village of Barnesville and Ohio Hills was paid in full by the Village. At that time, a new agreement was created between the Village of Barnesville and Ohio Hills, for Ohio Hills to pay back the Village the amount of the conduit debt paid off by the Village. The original loan amount was \$260,412 as of January 22, 2018. The loan agreement is for 20 years with the first seven years being calculated with an interest rate of 2.00%, then 2.50% over the next seven years and the final six year at 3.00%. The payment amount for the first seven years is \$1,317 per month, the next seven years is \$1,359 per month and the last six years will be \$1,379 per month. Outstanding balance as of December 31, 2020 is \$228,602 with an expected amount to be collected within a year of \$15,804.

15. FUND BALANCES

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the balances of those amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Nonspendable:					
Corpus	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Encum.	61,311	33,202	37,161	56,498	188,172
Total	\$ 61,311	\$ 33,202	\$ 37,161	\$ 56,498	\$ 188,172

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

16. CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the Village has made changes to their cash basis reporting model. These changes include modification to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types and removing the fund balance classifications from the combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) – all governmental fund types.

There was no effect to beginning cash balances due to this change.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

17. COVID-19

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

During 2020, the Village received \$354,295 as an on-behalf grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts					
Property Tax and Other Local Taxes	\$ 158,632	\$ 110,639	\$ -	\$ -	\$ 269,271
Municipal Income Tax	1,042,221	-	-	-	1,042,221
Intergovernmental	150,248	243,760	-	-	394,008
Special Assessments	-	1,550	-	37,624	39,174
Charges for Services	59,445	655,764	-	-	715,209
Fines, Licenses, and Permits	43,118	5,429	-	-	48,547
Earnings on Investments	273,528	-	-	-	273,528
Miscellaneous	191,758	59,122	-	-	250,880
Total Cash Receipts	<u>1,918,950</u>	<u>1,076,264</u>	<u>-</u>	<u>37,624</u>	<u>3,032,838</u>
Cash Disbursements					
Current:					
Security of Persons and Property	854,470	722,551	-	-	1,577,021
Public Health Services	11,909	114,664	-	-	126,573
Leisure Time Activities	24,239	299,354	-	-	323,593
Basic Utility Services	80,328	-	-	-	80,328
Transportation	-	486,880	-	22,227	509,107
General Government	1,580,957	-	-	-	1,580,957
Capital Outlay	40,723	-	-	88,586	129,309
Debt Service					
Principal Retirement	-	-	188,389	-	188,389
Interest and Fiscal Charges	-	-	26,408	-	26,408
Total Cash Disbursements	<u>2,592,626</u>	<u>1,623,449</u>	<u>214,797</u>	<u>110,813</u>	<u>4,541,685</u>
Excess of Receipts Over/(Under) Disbursements	(673,676)	(547,185)	(214,797)	(73,189)	(1,508,847)
Other Financing Receipts/(Disbursements)					
Sale of Bonds	46,000	-	-	23,000	69,000
Transfers - In	43,332	752,736	214,797	200,550	1,211,415
Transfers - Out	(921,469)	(74,475)	-	-	(995,944)
Total Other Financing Receipts/(Disbursements)	(832,137)	678,261	214,797	223,550	284,471
Net Change in Cash Fund Balances	(1,505,813)	131,076	-	150,361	(1,224,376)
Fund Cash Balances, January 1, 2019, restated	<u>5,838,784</u>	<u>1,232,693</u>	<u>-</u>	<u>21,368</u>	<u>7,092,845</u>
Fund Cash Balances, December 31, 2019					
Restricted	-	1,140,435	-	171,729	1,312,164
Committed	-	223,334	-	-	223,334
Assigned	149,712	-	-	-	149,712
Unassigned (Deficit)	4,183,259	-	-	-	4,183,259
Fund Cash Balances, December 31, 2019	<u>\$ 4,332,971</u>	<u>\$ 1,363,769</u>	<u>\$ -</u>	<u>\$ 171,729</u>	<u>\$ 5,868,469</u>

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

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

	<u>Proprietary</u>	<u>Fiduciary</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>(Memorandum Only)</u>
Operating Cash Receipts:			
Charges for Services	\$ 2,531,375	\$ -	\$ 2,531,375
Fines, Licenses and Permits	-	30,569	30,569
Miscellaneous	58,180	-	58,180
Total Operating Cash Receipts	<u>2,589,555</u>	<u>30,569</u>	<u>2,620,124</u>
Operating Cash Disbursements:			
Personal Services	605,773	-	605,773
Employee Fringe Benefits	328,780	-	328,780
Contractual Services	317,267	-	317,267
Supplies and Materials	713,508	-	713,508
Other	7,585	30,569	38,154
Total Operating Cash Disbursements	<u>1,972,913</u>	<u>30,569</u>	<u>2,003,482</u>
Operating Income/(Loss)	<u>616,642</u>	<u>-</u>	<u>616,642</u>
Non-Operating Receipts (Disbursements):			
Capital Outlay	(167,980)	-	(167,980)
Total Non-Operating Receipts (Disbursements):	<u>(167,980)</u>	<u>-</u>	<u>(167,980)</u>
Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances	448,662	-	448,662
Transfers In	-	-	-
Transfers Out	(215,471)	-	(215,471)
Net Change in Fund Cash Balances	233,191	-	233,191
Fund Cash Balances, January 1, restated	<u>6,294,078</u>	<u>15,675</u>	<u>6,309,753</u>
Fund Cash Balances, December 31	<u>\$ 6,527,269</u>	<u>\$ 15,675</u>	<u>\$ 6,542,944</u>

See notes to financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Barnesville, Belmont County, (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, street maintenance, emergency management, fire protection and police services. The Village appropriates general fund money to support a volunteer fire department.

The Village participates in jointly governed organizations. Note 11 to the financial statements provides additional information for these entities.

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

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

Fund Accounting

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

Governmental Funds

General Fund

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

Emergency Medical Services Fund – This fund receives charges for services from residents to provide emergency medical services.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Funds

These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Ohio Water Development Authority (OWDA) Note Fund – This fund receives sewer revenue money to make principal and interest payments towards an OWDA loan for wastewater treatment plant sludge improvement.

Capital Project Fund

These funds are used to account for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Industrial Park Sewage Fund - This fund received funding from the County and a mandated percentage from income tax collection in 2015 for construction of a sewer system in the Industrial Park for JEDD #1.

Enterprise Funds

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

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

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

Fiduciary Funds

Fiduciary Funds include agency funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for the financial activity of Mayors Court and the JEDD #2.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

The Village values certificates of deposit, U.S. Treasury Notes and common stock at cost or fair value when donated. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as 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* via formal action (resolution). The Village must adhere to these commitments unless council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2019 is as follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,728,672	\$ 2,008,282	\$ 279,610
Special Revenue	1,690,206	1,828,999	138,793
Debt Service	214,797	214,797	-
Capital Projects	260,050	261,174	1,124
Enterprise	2,771,704	2,589,555	(182,149)
Total	\$ 6,665,429	\$ 6,902,807	\$ 237,378

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,698,560	\$ 3,663,807	\$ 1,034,753
Special Revenue	2,370,202	1,735,973	634,229
Debt Service	214,791	214,797	-
Capital Projects	244,350	181,677	62,673
Enterprise	2,832,831	2,524,401	308,430
Total	\$ 10,360,740	\$ 8,320,655	\$ 2,040,085

4. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2019
Demand Deposits	\$ 1,635,479
Certificates of Deposit	4,963,006
Total Deposits	6,598,485
Municipal Bonds	3,372,077
Money Market	2,417,358
STAR Ohio	2,147
Donated Common Stock	21,346
Total Investments	\$ 5,812,928
Total Deposits and Investments	\$ 12,411,413

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

Investments: An investment firm holds the Village's equity securities in book-entry form in the Village's name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. Donated stocks are valued at the value at the time of donation.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

5. PROPERTY TAX

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

6. LOCAL INCOME TAX

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, JEDD #1, and JEDD #2 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.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- * Comprehensive property and general liability
- * Vehicles
- * Errors and omissions

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.0% of participant's gross salaries. The Village has paid all contributions required through December 31, 2019.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

8. DEFINED BENEFIT PENSION PLAN

Ohio Police and Fire Retirement

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants in 2019 contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer's wages. The Village has paid all contributions required through December 31, 2019.

Social Security

Several Village employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

9. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F 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 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

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

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

10. DEBT

Debt outstanding at December 31, 2019 was as follows:

	2019 Principal	%
Ohio Public Works Commission CR07G	\$ 12,599	2.00
Ohio Public Works Commission CR17I	136,714	2.00
Ohio Public Works Commission CR18C	20,896	2.00
Ohio Public Works Commission CR19F	13,658	2.00
Ohio Public Works Commission CR20K	28,175	0.00
Ohio Public Works Commission CR23L	7,218	0.00
Ohio Public Works Commission CR24U	46,750	0.00
Ohio Public Works Commission CT66E	53,550	0.00
Ohio Public Works Commission CT73F	8,458	0.00
USDA Police Vehicle Bonds	23,000	3.87
USDA Fire Truck Bonds	46,000	3.00
Ohio Water Development Authority #5410	306,380	1.00
Ohio Water Development Authority #3501	872,696	2.00
Total	\$ 1,576,094	

The Ohio Public Works Commission Loan CR07G is a 2% loan used for the Sewage Relining Project. The loan will be repaid in semiannual installments of \$1,471, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR24U is a 0% loan used for paving Village streets. The loan will be repaid in semiannual installments of \$2,750 over 10 years. The loan is collateralized by the Villages taxing authority.

The Ohio Public Works Commission Loan CR17I is a 2% loan used for the Water Treatment Plant Expansion. The loan will be repaid in semiannual installments of \$9,289, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR18C is a 2% loan used for Water Line Improvements. The loan will be repaid in semiannual installments of \$7,105, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR19F is a 2% loan used for the Bailey Road Waterline. The loan will be repaid in semiannual installments of \$1,785, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CR20K is a 0% loan used for WWTP Improvements. The loan will be repaid in semiannual installments of \$1,225, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

10. DEBT (Continued)

The Ohio Public Works Commission Loan CR23L is a 0% loan used for Sanitary Sewer Rehabilitation. The loan will be repaid in semiannual installments of \$361, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CT66E is a 0% loan used for the Water Treatment Plant Replacement. The loan will be repaid in semiannual installments of \$8,925, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission Loan CT73F is a 0% loan used for the Wastewater Collection-Lift Station. The loan will be repaid in semiannual installments of \$1,057, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The United States Department of Agriculture (USDA) of \$23,000 relates to the Village purchasing a police cruiser K-9 unit with related equipment in 2019. The bonds will be repaid over five years bearing interest of 3.875%.

The United States Department of Agriculture (USDA) of \$46,000 relates to the Village purchasing a 2020 GMC Sierra truck to be used by the fire department in 2019. The bonds will be repaid over ten years bearing interest of 3%.

The Ohio Water Development Authority (OWDA) loan #5410 relates to the WWTP Sludge Handling Improvements. The OWDA has approved \$511,285 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$14,135, including interest at a rate of 1%, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #3501 relates to the Water Treatment Plant. The OWDA has approved \$2,324,133 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$59,295, including interest at a rate of 2%, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

10. DEBT (Continued)

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

Year Ending December 31	OPWC CR07G	OPWC CR17I	OPWC CR18C	OPWC CR19F	OPWC CR20K
2020	\$ 1,471	\$ 9,289	\$ 7,105	\$ 1,785	\$ 1,225
2021	4,300	26,579	14,000	5,305	3,675
2022	2,942	18,578	-	3,570	2,450
2023	2,942	18,578	-	3,570	2,450
2024	2,942	18,578	-	1,785	2,450
2025-2029	-	46,445	-	-	12,250
2030-2034	-	-	-	-	3,675
	<u>\$ 14,597</u>	<u>\$ 138,047</u>	<u>\$ 21,105</u>	<u>\$ 16,015</u>	<u>\$ 28,175</u>

Year Ending December 31	OPWC CR23L	OPWC CT66E	OPWC CT73F	OWDA #5410	OWDA #3501
2020	\$ 361	\$ 8,925	\$ 1,057	\$ 28,270	\$ 118,590
2021	1,083	26,775	3,171	28,270	118,590
2022	722	17,850	2,115	28,270	118,590
2023	722	-	2,115	28,270	118,590
2024	722	-	-	28,270	118,590
2025-2029	3,608	-	-	141,350	355,770
2030-2034	-	-	-	42,405	-
	<u>\$ 7,218</u>	<u>\$ 53,550</u>	<u>\$ 8,458</u>	<u>\$ 325,105</u>	<u>\$ 948,720</u>

Year Ending December 31	OPWC CR24U	K-9 Bonds	Truck Bonds
2020	\$ 2,750	\$ 5,189	\$ 5,319
2021	8,250	5,125	5,360
2022	5,500	5,154	5,437
2023	5,500	5,076	5,408
2024	5,500	5,194	5,376
2025-2029	19,250	-	26,965
	<u>\$ 46,750</u>	<u>\$ 25,738</u>	<u>\$ 53,865</u>

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

10. DEBT (Continued)

Conduit Debt

Ohio Hills Health Services, Inc. (Ohio Hills) wished to acquire Wesbanco Bank's former office within Barnesville for use as a medical clinic. Ohio Hills could obtain financing from Wesbanco Bank at a lower cost, provided the Village acquired the property and leased it to Ohio Hills, with the requirement Ohio Hills made all payments on the mortgage in the form of lease payments and subsequently purchase the property from the Village at the conclusion of the lease.

The Village purchased the property from Wesbanco Bank on October 25, 2006 for the sum of \$325,000 and entered into a mortgage with Wesbanco Bank for an amount of \$325,000. The mortgage is non-recourse, provided that in the event of a default, the Village shall not be liable to pay any portion of the unpaid balance.

The Village entered into a lease-purchase agreement with Ohio Hills, provided Ohio Hills shall make monthly payments in a sufficient manner to pay all payments due on the mortgage to Wesbanco Bank. The lease also requires Ohio Hills to pay all taxes, insurance and maintenance of the property, and to hold the Village harmless against all claims. The lease requires Ohio Hills to purchase the building for \$1 after the Wesbanco Bank mortgage is paid in full. The mortgage was paid off by the Village of Barnesville on January 10, 2018 and Ohio Hills now has a loan payable to the Village of Barnesville.

11. JOINTLY GOVERNED ORGANIZATIONS

Belmont County Regional Airport Authority

Belmont County Regional Airport Authority (Authority) is the governing body for the Barnesville-Bradfield Airport. The Authority was created in August 2008. The original governing board is comprised of three trustees appointed by the Belmont County Commissioners and two trustees appointed by the Village of Barnesville. Hereafter, any trustee whose term expires or who resigns shall be replaced by the appointed Authority who originally appointed him or her. The Authority is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for the Authority.

Barnesville-Warren Township Joint Economic Development District #1

Barnesville-Warren Township Joint Economic Development District #1 (JEDD #1) was created December 8, 2008 between the Village of Barnesville and Warren Township to provide for the operation of the District in accordance with Sections 715.72 through 715.78 of the Ohio Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio. The Board of Directors shall consist of three members, one member representing the Village to be appointed by the Mayor with approval of Village Council, one member representing the Township, appointed by the Township Board of Trustees and one member selected by the members previously mentioned. The Board members shall serve without compensation. The Board shall meet at least once each calendar year.

The Board levied an income tax rate of 1.0% in the District in accordance with Section 715.74 of the Ohio Revised Code. The Board contracted with the Village of Barnesville to collect the income tax. Each quarter, the Village Tax Administrator shall provide the JEDD #1 with an amount sufficient to pay the outstanding or expected expenses of the operation of JEDD #1 for that quarter. Income tax monies in excess of those provided to JEDD #1 shall be credited to the Village to be spent as outlined in contractual agreement between JEDD #1 and the Village in Section 10. JEDD #1 is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for JEDD #1.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

11. JOINTLY GOVERNED ORGANIZATION (Continued)

Barnesville-Warren Township Joint Economic Development District #2

Barnesville-Warren Township Joint Economic Development District #2 (JEDD #2) was created June 18, 2012 between the Village of Barnesville and Warren Township to provide for the operation of the District in accordance with Sections 715.72 through 715.78 of the Ohio Revised Code for their mutual benefit and for the benefit of their residents and of the State of Ohio. The Board of Directors shall consist of five members, one member representing the Village to be appointed by the Mayor with approval of Village Council, one member representing the Township, appointed by the Township Board of Trustees, one member representing the owners of businesses within the District, one member representing the persons working within the District, and one member selected by the other four members. The Board members shall serve without compensation. The Board shall meet at least once each calendar year.

The Board levied an income tax rate of 1.0% in the District in accordance with Section 715.74 of the Ohio Revised Code. The Board contracted with the Village of Barnesville to collect the income tax. Each quarter, the Village Tax Administrator shall provide the JEDD #2 with an amount sufficient to pay the outstanding or expected expenses of the operation of JEDD #2 for that quarter. Income tax monies in excess of those provided to JEDD #2 shall be credited to the Village to be spent as outlined in contractual agreement between JEDD #2 and the Village in Section 10. The Village of Barnesville maintains an Agency Fund for JEDD #2. JEDD #2 is not dependent upon the Village of Barnesville for its continued existence, no debt exists, and the Village does not have an equity interest in or a financial responsibility for JEDD #2.

12. CONTINGENT LIABILITIES

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

13. RELATED PARTY TRANSACTIONS

A Village Council member is part owner of a company from which the Village acquired hardware supplies during the year.

14. LOANS RECEIVABLE

In 2013, the Village loaned Ohio Hills Health Services \$142,743 with interest at the rate of 1% for the first five years and then increasing to 1.5% per annum in consecutive monthly installments of \$1,250 for the first 60 payments and \$1,266 for the remaining 60 payments commencing September 15, 2013. Amount outstanding as of December 31, 2019 is \$56,572 with an expected amount to be collected within a year of \$15,006.

In 2013, the Village loaned the Barnesville Hospital Association Inc. (the Hospital) \$1,500,000 with interest at the rate of 1% for the first five years then increasing to 1.5% for the next five years and then increasing to 2% per annum in equal monthly installments of \$10,052. During 2019, the Hospital made the monthly payments totaling \$120,622. Amount outstanding as of December 31, 2019 is \$123,816 with an expected amount to be collected within a year of \$120,622.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

14. LOANS RECEIVABLE (Continued)

On January 22, 2018, the conduit debt between the Village of Barnesville and Ohio Hills was paid in full by the Village. At that time, a new agreement was created between the Village of Barnesville and Ohio Hills, for Ohio Hills to pay back the Village the amount of the conduit debt paid off by the Village. The original loan amount was \$260,412 as of January 22, 2018. The loan agreement is for 20 years with the first seven years being calculated with an interest rate of 2.00%, then 2.50% over the next seven years and the final six year at 3.00%. The payment amount for the first seven years is \$1,317 per month, the next seven years is \$1,359 per month and the last six years will be \$1,379 per month. Outstanding balance as of December 31, 2019 is \$239,717 with an expected amount to be collected within a year of \$15,804.

15. RESTATEMENT OF FUND BALANCES

Fund balance in the General Fund, Special Revenue Fund and Enterprise Fund has been restated for the year beginning January 1, 2019 as voided checks were added back.

	General	Special Revenue	Enterprise
Fund Balance at December 31, 2018	\$ 5,837,865	\$ 1,232,511	\$ 6,293,400
Adjustments	919	182	678
Fund Balance at January 1, 2019	<u>\$ 5,838,784</u>	<u>\$ 1,232,693</u>	<u>\$ 6,294,078</u>

16. SUBSEQUENT EVENTS

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

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

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

Village of Barnesville
Belmont County
P.O. Box 190
Barnesville, Ohio 43713

To the Village Council:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019 and related notes of Village of Barnesville, Belmont County and have issued our report thereon dated May 19, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weakness or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

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

Entity's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

Purpose of this Report

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

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 19, 2021

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-001

Material Weakness

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements. The Ohio Village Officer's Handbook and the UAN Accounting and General manual provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

There were numerous reclassifications and adjustments made to the financial statements and accounting records are as follows:

2020 Reclassifications and adjustments:

- A reclassification was made to decrease Property and Other Local Taxes and Increase Intergovernmental Revenue in the amount of \$22,799, \$3,535 and \$1,259 in the General Fund, EMS Fund and Fire Levy Fund, respectively for Rollbacks incorrectly posted.
- A reclassification was made to decrease Miscellaneous Revenue and increase Intergovernmental Revenue in the amount of \$11,196 for a grant received in the General Fund.
- A reclassification was made to decrease Miscellaneous Revenue and increase Sale of Capital Assets in the amount of \$10,000 in the EMS Fund for sale of equipment.
- A reclassification was made to decrease Miscellaneous Revenue by \$230,000 and the increase Intergovernmental Revenue by \$100,000 for a grant and Sale of Bonds by \$130,000 to state sale of bonds properly in the EMS Fund.
- An adjustment was made to Increase Other Debt Proceeds and Capital Outlay in the Street Fund for an OPWC paving project.

2019 Reclassifications:

- A reclassification was made to decrease Property and Other Local Taxes and Increase Intergovernmental Revenue in the amount of \$23,248, \$3,615, \$2,826 and \$2,179 in the General Fund, EMS Fund, Fire Levy Fund and Police Pension Fund, respectively for Rollbacks incorrectly posted.
- A reclassification was made to decrease Miscellaneous Revenue and increase Intergovernmental Revenue in the amount of \$10,000 for a grant received in the General Fund.
- A reclassification was made to decrease Miscellaneous Revenue and increase Sale of Bonds in the amount of \$46,000 to properly state sale of bonds in the General Fund.
- A reclassification was made to decrease Miscellaneous Revenue and increase Charges for Services in the amount of \$16,793 in the EMS Fund for payments of EMS contracts.
- A reclassification was made to decrease Unassigned Fund Balance and increase Assigned Fund Balance by \$149,712 in the General Fund.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-001

We recommend the Fiscal Officer review guidance within the Uniform Accounting Network Accounting Manual under Village Chart of Accounts and/or the Village Officer's Handbook. This guidance will allow the Fiscal Officer to make proper postings to receipts and expenditures account classifications based on the source of receipts or the purpose of the expenditure. Someone independent of the Fiscal Officer, preferably a member of Council, should periodically review postings to the accounting system for accuracy.

Client Response: We will change the function codes so that the items are reflected properly on the financial statements.

**VILLAGE OF BARNESVILLE
BELMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2020**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2018-001	Noncompliance and Material Weakness Hinkle filings	No	Partially Corrected Stated in Management Letter
2018-002	Material Weakness Reclassifications	No	Not Corrected Stated in report as Finding 2020-001
2018-002	Material Weakness GASB 54	No	Not Corrected Stated in report as Finding 2020-001
2018-003	Material Weakness Budgetary amounts in accounting system not agreeing to official documents	Yes	Finding No Longer Valid

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BARNESVILLE

BELMONT 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 7/6/2021

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

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