

VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO

Financial Statements
(Audited)

For the Years Ended
December 31, 2019 and 2018



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Village Council
Village of New Miami
268 Whitaker Avenue
Hamilton, Ohio 45011

We have reviewed the *Independent Auditor's Report* of the Village of New Miami, Butler County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2019. 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 New Miami 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

December 30, 2020

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**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

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Independent Auditor's Report

Village of New Miami
Butler County
268 Whitaker Avenue
Hamilton, Ohio 45011

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of New Miami, Butler County, Ohio as of and for the years ended December 31, 2019 and 2018.

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 of New Miami'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 of New Miami's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 1 of the financial statements, the Village of New Miami prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of New Miami as of December 31, 2019 and 2018, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of New Miami, Butler County as of December 31, 2019 and 2018, for the years then ended 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 1.

Emphasis of Matters

As described in Note 11, for the year ended December 31, 2018, a prior period restatement was required to reclassify unclaimed monies fund activity from the Agency Funds (Fiduciary fund type) to the General Fund. As discussed in Note 11 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village of New Miami. We did not modify our opinion regarding these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2020, on our consideration of the Village of New Miami'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 of New Miami's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 22, 2020

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

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

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Property and other taxes	\$ 37,246	\$ 104,548	\$ -	\$ -	\$ 141,794
Municipal income tax	134,807	-	-	-	134,807
Intergovernmental	67,788	130,993	-	121,105	319,886
Special assessments	-	-	18,435	-	18,435
Charges for services	11,212	31,295	-	-	42,507
Fines, licenses and permits	415,946	3,563	-	-	419,509
Earnings on Investments	3,326	261	-	-	3,587
Miscellaneous	41,414	3,293	-	-	44,707
Total cash receipts	<u>711,739</u>	<u>273,953</u>	<u>18,435</u>	<u>121,105</u>	<u>1,125,232</u>
Cash disbursements:					
Current:					
Security of persons and property	268,629	85,719	-	-	354,348
Public health services	1,526	-	-	-	1,526
Leisure time activities	39,286	-	-	-	39,286
Basic utility services	-	15,659	-	-	15,659
Transportation	55,834	91,426	-	-	147,260
General government	363,507	2,213	-	-	365,720
Capital outlay	-	-	-	26,737	26,737
Debt service:					
Principal retirement	-	13,514	11,425	-	24,939
Interest and fiscal charges	-	-	7,861	-	7,861
Total cash disbursements	<u>728,782</u>	<u>208,531</u>	<u>19,286</u>	<u>26,737</u>	<u>983,336</u>
Net change in fund cash balances	(17,043)	65,422	(851)	94,368	141,896
Fund cash balances, January 1, 2019	<u>1,327,151</u>	<u>446,484</u>	<u>12,635</u>	<u>-</u>	<u>1,786,270</u>
Fund cash balances, December 31, 2019					
Nonspendable	70,007	-	-	-	70,007
Restricted	-	511,906	11,784	94,368	618,058
Assigned	13,199	-	-	-	13,199
Unassigned	1,226,902	-	-	-	1,226,902
Fund cash balances, December 31, 2019	<u>\$ 1,310,108</u>	<u>\$ 511,906</u>	<u>\$ 11,784</u>	<u>\$ 94,368</u>	<u>\$ 1,928,166</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Total (Memorandum Only)
	<u>Enterprise</u>	<u>Custodial</u>	
Operating cash receipts:			
Charges for services	\$ 625,784	\$ 369,690	\$ 995,474
Total operating cash receipts	<u>625,784</u>	<u>369,690</u>	<u>995,474</u>
Operating cash disbursements:			
Personal services	174,585	-	174,585
Fringe benefits	57,334	-	57,334
Contractual services	257,944	-	257,944
Supplies and materials	42,173	-	42,173
Other	13,268	365,771	379,039
Total operating cash disbursements	<u>545,304</u>	<u>365,771</u>	<u>911,075</u>
Operating income/(loss)	<u>80,480</u>	<u>3,919</u>	<u>84,399</u>
Nonoperating cash receipts/(disbursements):			
Intergovernmental	136,514	-	136,514
Capital outlay	(118,564)	-	(118,564)
Miscellaneous Receipts	62,840	-	62,840
Debt service:			
Principal	(52,705)	-	(52,705)
Interest	(1,241)	-	(1,241)
Total nonoperating cash receipts/(disbursements)	<u>26,844</u>	<u>-</u>	<u>26,844</u>
Net income/(loss)	107,324	3,919	111,243
Fund cash balances, January 1, 2019	<u>578,410</u>	<u>33,380</u>	<u>611,790</u>
Fund cash balances, December 31, 2019	<u>\$ 685,734</u>	<u>\$ 37,299</u>	<u>\$ 723,033</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of New Miami, Butler County, (the Village) as a body corporate and politic. A publicly-elected six- member Council directs the Village. The Village provides water and trash utilities, recreation, street maintenance and police service. The Village sewer operations are in the control of Butler County. The Village appropriates general fund money to support a volunteer fire department.

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

B. Accounting Basis

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

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

C. 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.

Money market mutual funds are recorded at the share values reported by the mutual funds.

D. Basis of Presentation

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

E. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. 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.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Special Revenue Funds

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

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

Police Levy Fund - This fund receives property tax money which is used to operate the Village police department.

3. Debt Service Funds

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

Storm Water Loan Fund - This fund receives special assessment tax revenue to be used for debt service on Ohio Water Development Authority Loan #4403.

Armco Bond Retirement Fund - This fund receives special assessment tax revenue to be used for debt service on Ohio Water Development Authority Loan #4404.

4. Capital Project Funds

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

Algonquin Drive Rehab Project - This fund receives grant monies along with Motor Vehicle Permissive money from the County to be used to make street repairs to Algonquin Drive.

5. Proprietary 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 Proprietary Funds:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Trash Fund - This fund receives charges for services from residents to cover trash service costs.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

6. Fiduciary Funds

The Village's fiduciary fund consists of custodial funds.

Custodial funds are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as the collection and distribution of sewer fees are collected by the Village and are remitted to Butler County. Per an agreement with Butler County dated February 26, 2004, the Village surrendered operation of its sewer collection system and sewer treatment plant to Butler County on November 5, 2004.

F. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or personal services and other 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.

2. 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.

3. Encumbrances

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

A summary of 2019 budgetary activity appears in Note 3.

G. 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:

1. Non-spendable

The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. 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.

3. 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.

4. Assigned

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

5. 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.

H. 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.

I. 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.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 - EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2019
Demand deposits	\$612,461
Money Market Savings	2,038,738
Total deposits and investments	\$2,651,199

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

NOTE 3 - BUDGETARY ACTIVITY

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 703,000	\$ 711,739	\$ 8,739
Special Revenue	273,654	273,953	299
Debt Service	18,434	18,435	1
Capital Projects	121,105	121,105	-
Enterprise	808,129	825,138	17,009
Total	\$ 1,924,322	\$ 1,950,370	\$ 26,048

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 918,873	\$ 741,981	\$ 176,892
Special Revenue	281,080	211,716	69,364
Debt Service	19,500	19,286	214
Capital Projects	121,105	31,637	89,468
Enterprise	876,189	735,598	140,591
Total	\$ 2,216,747	\$ 1,740,218	\$ 476,529

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - PROPERTY TAX

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

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

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

NOTE 5 - LOCAL INCOME TAX

The Village levies a municipal income tax of 1.75% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

NOTE 6 - DEBT

Debt outstanding at December 31, 2019 was as follows:

Direct Borrowings	Principal	Interest Rate
OWDA 2005 Phase II Stormwater Improvements Loan (4403)	\$159,176	3.79%
OWDA 2005 Waterline Extension Loan (4404)	39,631	3.79%
OWDA 2007 Well Rehabilitation Loan (4670)	26,988	1.50%
OWDA 2009 Water Tower Loan (5100)	15,614	4.00%
OPWC 2006 Booster Station Improvement Loan (CJ06J)	29,250	0.00%
OPWC 2006 Augsperger Waterline Improvement Loan (CJ05J)	47,025	0.00%
OPWC 2007 Water Supply Improvement Loan (CJ01K)	42,000	0.00%
OPWC 2009 Storm Sewer Improvements Phase II Loan (CJ24M)	168,920	0.00%
OPWC 2011 Water Supply/Water Storage Phase III Loan (CJ39M)	151,250	0.00%
OPWC 2016 Water Meter Replacement & Tank Demo. Loan (CJ02S)	333,192	0.00%
Total	<u>\$1,013,046</u>	

The OWDA 2005 Phase II Storm Water Improvements Loan (4403) relates to a storm water improvement project. The total amount of the loan awarded was \$228,000. The loan is being repaid in semi-annual installments of \$6,393, including interest, over 30 years. The last payment is due January 1, 2037. The OWDA loan is collateralized by special assessment fees. Loan payments are being made from Fund 3101-Storm Water Loan Debt Service.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 - DEBT- (Continued)

The OWDA 2005 Waterline Extension Loan (4404) relates to a waterline extension project. The total amount of the loan awarded was \$90,549. The loan is being repaid in semi-annual installments of \$3,249, including interest, over 20 years. The last payment is due January 1, 2027. The OWDA loan is collateralized by special assessment fees. Loan payments are being paid from Fund 3102-Armco Bond Retirement Debt Service.

The OWDA 2007 Well Rehabilitation Loan (4670) related to a well rehabilitation project. The total amount of the loan awarded was \$65,760. The loan is being repaid in semi-annual installments of \$1,909, including interest, over 20 years. The last payment is due July 1, 2027. The OWDA loan is collateralized by water receipts. Loan payments are being paid from Fund 5101-Water Operations.

The OWDA 2009 Water Tower Loan (5100) relates to the replacement of the Village's water tower. The total amount of the loan awarded was \$60,000. The loan is to be repaid in semi-annual installments of \$3,334, including interest, over 12 years. The last payment is due July 1, 2022. The OWDA loan is collateralized by water receipts. Loan payments are being paid from Fund 5101-Water Operations.

The Ohio Public Works Commission (OPWC) 2006 Loan (CJ06J) relates to the booster station improvement. The total amount of the loan awarded was \$65,000. The loan is to be repaid in semi-annual installments of \$1,625 over 20 years. The last payment is due January 1, 2029. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2006 Loan (CJ05J) relates to the Augspurger waterline improvement project. The total amount of the loan awarded as \$99,000. The loan is to be repaid in semi-annual installments of \$2,475 over 20 years. The last payment is due July 1, 2029. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2007 Loan (CJ01K) relates to water supply improvements. The total amount of the loan awarded was \$60,000. The loan will be repaid in semi-annual installments of \$1,000 over 30 years. The last payment is due January 1, 2041. Loan payments are being paid from Fund 5101- Water Operations.

The OPWC 2009 Loan (CJ24M) relates to the storm sewer improvements project. The total amount of the loan awarded was \$270,272. The loan will be repaid in semi-annual installments of \$6,757 over 20 years. The last payment is due July 1, 2032. Loan payments are being paid from Fund 2903-Stormwater Maintenance.

The OPWC 2011 Loan (CJ39M) relates to water supply and water storage improvements. The total amount of the loan awarded was \$275,000. The loan will be repaid in semi-annual installments of \$6,875 over 20 years. The last payment is due January 1, 2031. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2016 Loan (CJ02S) relates to water meter replacements and the demolition of a water tank. The total amount of the loan awarded was \$391,990. The loan will be repaid in semi-annual installments of \$9,800 over 20 years. The last payment due is January 1, 2037. Loan payments are being paid from Fund 5101-Water Operations.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 - DEBT- (Continued)

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2020	\$14,851	\$28,532
2021	29,722	57,063
2022	29,751	57,063
2023	23,104	57,063
2024	23,104	57,063
2025-2029	91,636	283,691
2030-2034	63,934	169,163
2035-2039	31,967	58,999
2040-2041	-	3,000
Total	\$308,069	\$771,637

NOTE 7 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10.00 percent of their gross salaries, and the Village contributed an amount equaling 14.00 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Ohio Police and Fire Retirement System

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

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

Social Security

Other 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.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - CONTINGENT LIABILITIES

The Village is party to several lawsuits concerning the use of speed cameras to issue citations. The use of speed cameras was implemented by the Village in October 2012. The lawsuits seek to have all fees from citations issued as a result of the speed cameras, returned to the payers and an award of attorney fees to the claimants.

Until all final court rulings are complete, as of December 31, 2019, it is unclear if, and how much restitution will be required of the Village. As a result, the Village is currently unable to determine what effect, if any, this decision will have on its future funding and on its financial operations.

NOTE 9 - RISK POOL MEMBERSHIP

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

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2018 (latest information available):

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

NOTE 10 - 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 members in the Traditional Pension Plan and Combined Plan was 0 percent during the calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits

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

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 11 - SUBSEQUENT EVENT

The United States of America 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 Village's investment portfolio has incurred a significant decline in value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, receipts, and any recovery from emergency funding, either federal or state, cannot be estimated.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Debt Service	
Cash receipts:				
Property and other taxes	\$ 35,285	\$ 101,603	\$ -	\$ 136,888
Municipal income tax	135,844	-	-	135,844
Intergovernmental	67,530	110,870	-	178,400
Special assessments	-	-	19,028	19,028
Charges for services	1,950	31,237	-	33,187
Fines, licenses and permits	468,110	2,258	-	470,368
Earnings on Investments	1,140	88	-	1,228
Miscellaneous	26,612	2,784	-	29,396
Total cash receipts	<u>736,471</u>	<u>248,840</u>	<u>19,028</u>	<u>1,004,339</u>
Cash disbursements:				
Current:				
Security of persons and property	286,512	115,343	-	401,855
Public health services	1,902	-	-	1,902
Leisure time activities	42,683	-	-	42,683
Basic utility services	-	28,480	-	28,480
Transportation	53,936	77,480	-	131,416
General government	342,255	1,577	-	343,832
Capital outlay	24,120	-	-	24,120
Debt service:				
Principal retirement	-	13,514	11,004	24,518
Interest and fiscal charges	-	-	8,282	8,282
Total cash disbursements	<u>751,408</u>	<u>236,394</u>	<u>19,286</u>	<u>1,007,088</u>
Net change in fund cash balances	(14,937)	12,446	(258)	(2,749)
Fund cash balances, January 1, 2018 (restated)	<u>1,342,088</u>	<u>434,038</u>	<u>12,893</u>	<u>1,789,019</u>
Fund cash balances, December 31, 2018				
Nonspendable	74,008	-	-	74,008
Restricted	-	446,484	12,635	459,119
Assigned	18,873	-	-	18,873
Unassigned	1,234,270	-	-	1,234,270
Fund cash balances, December 31, 2018	<u>\$ 1,327,151</u>	<u>\$ 446,484</u>	<u>\$ 12,635</u>	<u>\$ 1,786,270</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
BALANCES (CASH BASIS) - PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Total (Memorandum Only)
	<u>Enterprise</u>	<u>Agency</u>	
Operating cash receipts:			
Charges for services	\$ 629,072	\$ 358,264	\$ 987,336
Total operating cash receipts	<u>629,072</u>	<u>358,264</u>	<u>987,336</u>
Operating cash disbursements:			
Personal services	187,490	-	187,490
Fringe benefits	57,335	-	57,335
Contractual services	242,908	-	242,908
Supplies and materials	35,642	-	35,642
Other	8,932	324,884	333,816
Total operating cash disbursements	<u>532,307</u>	<u>324,884</u>	<u>857,191</u>
Operating income/(loss)	<u>96,765</u>	<u>33,380</u>	<u>130,145</u>
Nonoperating cash receipts/(disbursements):			
Intergovernmental	548,687	-	548,687
Capital outlay	(554,757)	-	(554,757)
Miscellaneous Receipts	41,472	-	41,472
Debt service:			
Principal	(55,748)	-	(55,748)
Interest	(1,582)	-	(1,582)
Total nonoperating cash receipts/(disbursements)	<u>(21,928)</u>	<u>-</u>	<u>(21,928)</u>
Income/(loss) before transfers	74,837	33,380	108,217
Transfers in	65,000	-	65,000
Transfers out	<u>(65,000)</u>	<u>-</u>	<u>(65,000)</u>
Net income/(loss)	74,837	33,380	108,217
Fund cash balances, January 1, 2018 (restated)	<u>503,573</u>	<u>-</u>	<u>503,573</u>
Fund cash balances, December 31, 2018	<u>\$ 578,410</u>	<u>\$ 33,380</u>	<u>\$ 611,790</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of New Miami, Butler County, (the Village) as a body corporate and politic. A publicly-elected six- member Council directs the Village. The Village provides water and trash utilities, recreation, street maintenance and police service. The Village sewer operations are in the control of Butler County. The Village appropriates general fund money to support a volunteer fire department.

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

B. Accounting Basis

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

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

C. 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.

Money market mutual funds are recorded at the share values reported by the mutual funds.

D. Basis of Presentation

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

E. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. 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.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Special Revenue Funds

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

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

Police Levy Fund - This fund receives property tax money which is used to operate the Village police department.

3. Debt Service Funds

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

Storm Water Loan Fund - This fund receives special assessment tax revenue to be used for debt service on Ohio Water Development Authority Loan #4403.

Armco Bond Retirement Fund - This fund receives special assessment tax revenue to be used for debt service on Ohio Water Development Authority Loan #4404.

4. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had no capital project funds.

5. Proprietary 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 Proprietary Funds:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Trash Fund - This fund receives charges for services from residents to cover trash service costs.

Water Main Replacement & System Improvement - This fund receives on-behalf payments from Ohio Public Works Commission to replace the Village's water main.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

6. Fiduciary Funds

The Village's fiduciary fund consists of 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 the collection and distribution of sewer fees are collected by the Village and are remitted to Butler County. Per an agreement with Butler County dated February 26, 2004, the Village surrendered operation of its sewer collection system and sewer treatment plant to Butler County on November 5, 2004.

F. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or personal services and other 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.

2. 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.

3. Encumbrances

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

A summary of 2018 budgetary activity appears in Note 3.

G. 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:

1. Non-spendable

The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. 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.

3. 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.

4. Assigned

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

5. 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.

H. 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.

I. 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.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2018
Demand deposits	\$1,862,351
Money Market Savings	535,709
Total deposits and investments	\$2,398,060

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

NOTE 3 - BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 750,000	\$ 736,471	\$ (13,529)
Special Revenue	248,451	248,840	389
Debt Service	19,028	19,028	-
Enterprise	1,273,229	1,284,231	11,002
Total	\$ 2,290,708	\$ 2,288,570	\$ (2,138)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,010,960	\$ 770,281	\$ 240,679
Special Revenue	291,447	236,824	54,623
Debt Service	19,500	19,286	214
Enterprise	1,350,136	1,278,789	71,347
Total	\$ 2,672,043	\$ 2,305,180	\$ 366,863

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - PROPERTY TAX

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

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

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

NOTE 5 - LOCAL INCOME TAX

The Village levies a municipal income tax of 1.75% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

NOTE 6 - DEBT

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA 2005 Phase II Stormwater Improvements Loan (4403)	\$165,743	3.79%
OWDA 2005 Waterline Extension Loan (4404)	44,490	3.79%
OWDA 2007 Well Rehabilitation Loan (4670)	30,363	1.50%
OWDA 2009 Water Tower Loan (5100)	21,394	4.00%
OPWC 2006 Booster Station Improvement Loan (CJ06J)	32,500	0.00%
OPWC 2006 Augsperger Waterline Improvement Loan (CJ05J)	51,975	0.00%
OPWC 2007 Water Supply Improvement Loan (CJ01K)	44,000	0.00%
OPWC 2009 Storm Sewer Improvements Phase II Loan (CJ24M)	182,434	0.00%
OPWC 2011 Water Supply/Water Storage Phase III Loan (CJ39M)	165,000	0.00%
OPWC 2016 Water Meter Replacement & Tank Demo. Loan (CJ02S)	352,791	0.00%
Total	<u>\$1,090,690</u>	

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 6 - DEBT- (Continued)

The OWDA 2005 Phase II Storm Water Improvements Loan (4403) relates to a storm water improvement project. The total amount of the loan awarded was \$228,000. The loan is being repaid in semi-annual installments of \$6,393, including interest, over 30 years. The last payment is due January 1, 2037. The OWDA loan is collateralized by special assessment fees. Loan payments are being made from Fund 3101-Storm Water Loan Debt Service.

The OWDA 2005 Waterline Extension Loan (4404) relates to a waterline extension project. The total amount of the loan awarded was \$90,549. The loan is being repaid in semi-annual installments of \$3,249, including interest, over 20 years. The last payment is due January 1, 2027. The OWDA loan is collateralized by special assessment fees. Loan payments are being paid from Fund 3102-Armco Bond Retirement Debt Service.

The OWDA 2007 Well Rehabilitation Loan (4670) related to a well rehabilitation project. The total amount of the loan awarded was \$65,760. The loan is being repaid in semi-annual installments of \$1,909, including interest, over 20 years. The last payment is due July 1, 2027. The OWDA loan is collateralized by water receipts. Loan payments are being paid from Fund 5101-Water Operations.

The OWDA 2009 Water Tower Loan (5100) relates to the replacement of the Village's water tower. The total amount of the loan awarded was \$60,000. The loan is to be repaid in semi-annual installments of \$3,334, including interest, over 12 years. The last payment is due July 1, 2022. The OWDA loan is collateralized by water receipts. Loan payments are being paid from Fund 5101-Water Operations.

The Ohio Public Works Commission (OPWC) 2006 Loan (CJ06J) relates to the booster station improvement. The total amount of the loan awarded was \$65,000. The loan is to be repaid in semi-annual installments of \$1,625 over 20 years. The last payment is due January 1, 2029. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2006 Loan (CJ05J) relates to the Augspurgen waterline improvement project. The total amount of the loan awarded as \$99,000. The loan is to be repaid in semi-annual installments of \$2,475 over 20 years. The last payment is due July 1, 2029. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2007 Loan (CJ01K) relates to water supply improvements. The total amount of the loan awarded was \$60,000. The loan will be repaid in semi-annual installments of \$1,000 over 30 years. The last payment is due January 1, 2041. Loan payments are being paid from Fund 5101- Water Operations.

The OPWC 2009 Loan (CJ24M) relates to the storm sewer improvements project. The total amount of the loan awarded was \$270,272. The loan will be repaid in semi-annual installments of \$6,757 over 20 years. The last payment is due July 1, 2032. Loan payments are being paid from Fund 2903-Stormwater Maintenance.

The OPWC 2011 Loan (CJ39M) relates to water supply and water storage improvements. The total amount of the loan awarded was \$275,000. The loan will be repaid in semi-annual installments of \$6,875 over 20 years. The last payment is due January 1, 2031. Loan payments are being paid from Fund 5101-Water Operations.

The OPWC 2016 Loan (CJ02S) relates to water meter replacements and the demolition of a water tank. The total amount of the loan awarded was \$391,990. The loan will be repaid in semi-annual installments of \$9,800 over 20 years. The last payment due is January 1, 2037. Loan payments are being paid from Fund 5101-Water Operations.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 6 - DEBT - (Continued)

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

Year Ending December 31:	OWDA Loans	OPWC Loans
2019	\$14,838	\$28,532
2020	29,696	57,063
2021	29,722	57,063
2022	29,751	57,063
2023	23,104	57,063
2024-2028	101,953	285,316
2029-2033	63,934	203,002
2034-2038	44,754	78,598
2039-2041	-	5,000
Total	\$337,752	\$828,700

NOTE 7 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10.00 percent of their gross salaries, and the Village contributed an amount equaling 14.00 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

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 19.50 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.

Social Security

Other 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, 2018.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8 - CONTINGENT LIABILITIES

The Village is party to several lawsuits concerning the use of speed cameras to issue citations. The use of speed cameras was implemented by the Village in October 2012. The lawsuits seek to have all fees from citations issued as a result of the speed cameras, returned to the payers and an award of attorney fees to the claimants.

Until all final court rulings are complete, as of December 31, 2018, it is unclear if, and how much restitution will be required of the Village. As a result, the Village is currently unable to determine what effect, if any, this decision will have on its future funding and on its financial operations.

NOTE 9 - RISK POOL MEMBERSHIP

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

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

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

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

NOTE 10 - 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 members in the Traditional Pension Plan and Combined Plan was 0 percent during the calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits

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

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 11 - PRIOR PERIOD RESTATEMENT

During the year ended December 31, 2018, it was determined that the Village's Unclaimed Monies fund is to be reported in the General Fund and not the Agency Fund (Fiduciary fund type) per GASB 54. The determination had the following effect on financial statement fund balances at January 1, 2018:

	General	Agency
<u>Fund cash balance</u>		
December 31, 2017	\$1,274,076	\$ 68,012
Unclaimed Monies Balance	<u>68,012</u>	<u>(68,012)</u>
January 1, 2018, restated	<u><u>\$1,342,088</u></u>	<u><u>\$ -</u></u>

**Independent Auditor’s Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards***

Village of New Miami
Butler County
268 Whitaker Avenue
Hamilton, Ohio 45011

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of New Miami, Butler County , Ohio as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated May 22, 2020, wherein we noted the Government followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. In addition, as discussed in Note 11 to the financial statements for the year ended December 31, 2018, a prior period restatement was required to reclassify fund balances. Furthermore, as discussed in Note 11 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuring emergency measures will impact subsequent periods.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village of New Miami’s internal control over financial reporting (internal control) to determine the 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 of New Miami’s internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village of New Miami'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 determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Village of New Miami's Response to Finding

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

Purpose of this Report

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



Julian & Grube, Inc.
May 22, 2020

VILLAGE OF NEW MIAMI
BUTLER COUNTY, OHIO

SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019 and 2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2019-001

Material Weakness - Financial Statement Presentation

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the Village, this could also include reviewing the year-end UAN reports to ensure activity is reported in the correct line items and fund balances are properly classified.

An adjustment was made to the financial statements and related notes during years 2019 and 2018, to properly state financial statement amounts:

- During 2019 and 2018, the Village improperly recorded its Unclaimed Monies fund and its related activity as Custodial/Agency fund (Fund Type). Per GASB 54, this fund and its related activity should be recorded in the General fund (Fund Type).

The audited financial statements have been adjusted for the misstatement identified during the audit.

In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made. The present system lacks fiscal oversight and approvals and fails to meet the above expectations.

We recommend the Village consult with their auditors, the Village Handbook, the Auditor of State and/or Ohio Municipal League to help ensure accurate financial reporting.

Client Response: The Fiscal Officer will work to provide a sound fiscal environment for the Village and has implemented additional policies and procedures to help with financial statement presentation.

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NEW MIAMI

BUTLER 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 1/12/2021

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