

**VILLAGE OF PEEBLES, OHIO**  
ADAMS COUNTY

**REGULAR AUDIT**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2019 AND 2018**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Peebles  
101 N. Miami Ave  
Peebles, OH 45002

We have reviewed the *Independent Auditor's Report* of the Village of Peebles, Adams County, prepared by Bastin & Company, LLC, 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 Peebles 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

April 08, 2021

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VILLAGE OF PEEBLES, OHIO  
ADAMS COUNTY

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# Bastin & Company, LLC

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

Village of Peebles  
Adams County  
101 North Miami Avenue  
Peebles, Ohio 45002

To the Village Council:

### ***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 Peebles, Adams County, Ohio (the Village), 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'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 opinions.

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(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 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 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 Peebles, Adams 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 2.

### ***Emphasis of Matter***

As discussed in Note 11 to the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

### ***Other Reporting Required by Government Auditing Standards***

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

*Bastin & Company, LLC*

Cincinnati, Ohio  
February 19, 2021



**Village of Peebles, Ohio**  
*Adams County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2019*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 165,430	\$ 85,640	\$ 251,070
Intergovernmental	50,606	107,880	158,486
Charges for Services	-	54,226	54,226
Fines, Licenses and Permits	52,010	-	52,010
Earnings on Investments	155	115	270
Miscellaneous	10,587	6,258	16,845
<i>Total Cash Receipts</i>	<u>278,788</u>	<u>254,119</u>	<u>532,907</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	125,272	189,993	315,265
Leisure Time Activities	-	5,447	5,447
Transportation	-	51,999	51,999
General Government	187,488	2,000	189,488
Debt Service:			
Principal Retirement	-	38,898	38,898
Interest and Fiscal Charges	-	1,498	1,498
<i>Total Cash Disbursements</i>	<u>312,760</u>	<u>289,835</u>	<u>602,595</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(33,972)</u>	<u>(35,716)</u>	<u>(69,688)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Loans Issued	-	34,880	34,880
Sale of Capital Assets	4,613	3,359	7,972
<i>Total Other Financing Receipts (Disbursements)</i>	<u>4,613</u>	<u>38,239</u>	<u>42,852</u>
<i>Net Change in Fund Cash Balances</i>	(29,359)	2,523	(26,836)
<i>Fund Cash Balances, January 1</i>	<u>129,713</u>	<u>219,975</u>	<u>349,688</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	222,498	222,498
Assigned	100,354	-	100,354
<i>Fund Cash Balances, December 31</i>	<u>\$ 100,354</u>	<u>\$ 222,498</u>	<u>\$ 322,852</u>

*See accompanying notes to the basic financial statements*

**Village of Peebles, Ohio**  
*Adams County*  
**Combined Statement of Receipts, Disbursements**  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
**All Proprietary and Fiduciary Fund Types**  
*For the Year Ended December 31, 2019*

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 805,465	\$ -	\$ 805,465
Miscellaneous	7,621	-	7,621
<i>Total Operating Cash Receipts</i>	<u>813,086</u>	<u>-</u>	<u>813,086</u>
<b>Operating Cash Disbursements</b>			
Personal Services	210,398	-	210,398
Employee Fringe Benefits	73,100	-	73,100
Contractual Services	405,624	-	405,624
Supplies and Materials	17,856	-	17,856
Other	4,110	-	4,110
<i>Total Operating Cash Disbursements</i>	<u>711,088</u>	<u>-</u>	<u>711,088</u>
<i>Operating Income (Loss)</i>	<u>101,998</u>	<u>-</u>	<u>101,998</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Principal Retirement	(82,225)	-	(82,225)
Interest and Other Fiscal Charges	(30,556)	-	(30,556)
Sale of Fixed Assets	4,806	-	4,806
Other Financing Sources	-	43,370	43,370
Other Financing Uses	-	(43,370)	(43,370)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(107,975)</u>	<u>-</u>	<u>(107,975)</u>
<i>Income (Loss) before Transfers</i>	(5,977)	-	(5,977)
Transfers-In	4,500	-	4,500
Transfers-Out	(4,500)	-	(4,500)
<i>Net Change in Fund Cash Balances</i>	(5,977)	-	(5,977)
<i>Fund Cash Balances, January 1</i>	<u>310,754</u>	<u>836</u>	<u>311,590</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 304,777</u>	<u>\$ 836</u>	<u>\$ 305,613</u>

*See accompanying notes to the basic financial statements*

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Village of Peebles (the Village), Adams County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, and police and fire services.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Street Construction Maintenance and Repair*** The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Police Levy Fund*** The police levy fund receives tax money for the operation of the police department.

***Fire Levy Fund*** The fire levy fund receives tax money and revenues from contracts with other political subdivisions to provide fire protection services.

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

***Water Fund*** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency 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 agency fund accounts for the financial activity of the Village Mayor's Court.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The 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.

***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. Unencumbered appropriations lapse at year end.

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

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

A summary of 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

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

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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***Capital Assets***

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

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

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

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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

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

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

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 3 – Budgetary Activity**

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 238,324	\$ 283,401	\$ 45,077
Special Revenue	254,880	292,358	37,478
Enterprise	701,600	822,392	120,792
Total	\$ 1,194,804	\$ 1,398,151	\$ 203,347

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 368,036	\$ 312,760	\$ 55,276
Special Revenue	451,190	289,835	161,355
Enterprise	952,673	828,542	124,131
Total	\$ 1,771,899	\$ 1,431,137	\$ 340,762

**Note 4 – Deposits and Investments**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2019 was as follows:

Demand deposits	\$628,465
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***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 5 – Taxes**

***Property Taxes***

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

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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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 6 – Risk Management**

The Village has obtained commercial insurance for the following risks:

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

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Ohio Police and Fire Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2019.

**Note 8 – Postemployment Benefits**

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

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 9 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority #6721	\$183,977	2.00%
Ohio Water Development Authority #3922	24,217	2.00%
Ohio Water Development Authority #5084	101,535	1.50%
OPWC Sewer Line Rehab Loan #C019C	8,750	0.00%
OPWC Sewer Plant Rehab #CT40L	20,475	0.00%
USDA Mortgage Revenue Bonds	433,700	5.00%
First State Bank Real Estate Refunding Bonds	34,880	4.00%
First State Bank Dodge Truck Loan #1141	242	2.79%
Exmark	5,796	0.00%
First State Bank Dodge Truck Loan #16203	19,098	3.25%
Total	\$832,670	

The Village was awarded Ohio Water Development Authority Loan #6721 in the amount of \$211,008. Proceeds from the loan were used to finance a waterline replacement. The Village is making semi-annual payments of \$4,694 with the final payment due July 1, 2044.

The Village was awarded Ohio Water Development Authority Loan #3922 in the amount of \$55,102. Proceeds from the loan were used to finance improvements to the Nixon Avenue water lines. The Village is making semi-annual payments of \$1,406 with the final payment due January 1, 2029.

The Village was awarded Ohio Water Development Authority Loan #5084 in the amount of \$136,196. Proceeds from the loan were used to finance improvements to the waste water treatment plant. The Village is making semi-annual payments of \$2,827 with the final payment due July 1, 2040.

The Village was awarded Ohio Public Works Commission Loan #C019C in the amount of \$50,000. Proceeds from the loan were used to finance water collection system improvements. The Village is making semi-annual payments of \$1,250 with the final payment due January 1, 2023.

The Village was awarded Ohio Public Works Commission Loan #CT40L in the amount of \$39,000. Proceeds from the loan were used to finance wastewater treatment plant improvements. The Village is making semi-annual payments of \$975 with the final payment due January 1, 2030.

The Village issued USDA Mortgage Revenue Bonds to expand water lines and to build a new wastewater treatment plant. The original bonds were for \$1,050,000. Annual payments vary according to the repayment schedule.

During 2019, the Village issued Real Estate Acquisition and Improvement Refunding Bonds in the amount of \$34,880 to refinance the remaining balance and interest on a 2014 Real Estate Acquisition and Improvement Refunding Bond issue. Proceeds from the original bonds issued in 2006 issue were used for the acquisition and improvement of real estate. Semi-annual payments on the 2019 issue vary according to the repayment schedule.



**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

The Village financed \$18,984 for the purchase of a Dodge truck through First State Bank in August of 2014. The sixty-six monthly payments of \$311 including interest at 2.79% are due on the fourteenth of each month.

The Village financed \$8,694 for the purchase of a mower through Exmark. The Village is to make 42 monthly payments of \$207 beginning November 2018.

The Village financed \$27,283 for the purchase of a Dodge truck through First State Bank. The Village is to make 10 semi-annual payments of \$2,728 plus interest at 3.25% beginning in November 2018.

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

Year ending December 31:	OWDA Loan #6721	OWDA Loan #3922	OWDA Loan #5084	OWPC Loan #C019C	OPWC Loan CT40L	USDA Revenue Bonds
2020	\$ 9,388	\$ 2,812	\$ 5,654	\$ 1,250	\$ 975	\$ 62,085
2021	9,388	2,812	5,654	2,500	1,950	62,065
2022	9,388	2,812	5,654	2,500	1,950	62,145
2023	9,388	2,812	5,654	2,500	1,950	62,015
2024	9,388	2,812	5,654	-	1,950	62,080
2025-2029	46,938	12,652	28,272	-	9,750	221,450
2030-2034	46,938	-	28,272	-	1,950	17,640
2035-2039	46,938	-	28,272	-	-	-
2040-2044	46,938	-	5,654	-	-	-
<b>Total</b>	<b>\$ 234,692</b>	<b>\$ 26,712</b>	<b>\$ 118,740</b>	<b>\$ 8,750</b>	<b>\$ 20,475</b>	<b>\$ 549,480</b>

Year ending December 31:	Real Estate Refunding Bonds	First State Bank Dodge Truck #1141	Exmark	First State Bank Dodge Truck Loan #16203	Total
2020	\$ 7,762	\$ 243	\$ 2,484	\$ 6,034	\$ 98,687
2021	8,178	-	2,484	5,856	100,887
2022	7,894	-	828	5,678	98,849
2023	7,609	-	-	2,773	94,701
2024	7,325	-	-	-	89,209
2025-2029	-	-	-	-	319,062
2030-2034	-	-	-	-	94,800
2035-2039	-	-	-	-	75,210
2040-2044	-	-	-	-	52,592
<b>Total</b>	<b>\$ 38,768</b>	<b>\$ 243</b>	<b>\$ 5,796</b>	<b>\$ 20,341</b>	<b>\$ 1,023,997</b>

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 10 – Contingent Liabilities**

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

**Note 11 – Subsequent Events**

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.

**Village of Peebles, Ohio**  
*Adams County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2018*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 148,670	\$ 84,348	\$ 233,018
Intergovernmental	42,549	90,647	133,196
Charges for Services	-	46,000	46,000
Fines, Licenses and Permits	38,570	-	38,570
Earnings on Investments	196	105	301
Miscellaneous	5,998	18,650	24,648
<i>Total Cash Receipts</i>	<u>235,983</u>	<u>239,750</u>	<u>475,733</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	121,346	151,230	272,576
Leisure Time Activities	-	3,942	3,942
Transportation	-	89,110	89,110
General Government	178,907	1,525	180,432
Capital Outlay	-	27,283	27,283
Debt Service:			
Principal Retirement	-	8,192	8,192
Interest and Fiscal Charges	-	1,851	1,851
<i>Total Cash Disbursements</i>	<u>300,253</u>	<u>283,133</u>	<u>583,386</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(64,270)</u>	<u>(43,383)</u>	<u>(107,653)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Loans Issued	-	27,283	27,283
Sale of Capital Assets	3,500	-	3,500
<i>Total Other Financing Receipts (Disbursements)</i>	<u>3,500</u>	<u>27,283</u>	<u>30,783</u>
<i>Net Change in Fund Cash Balances</i>	(60,770)	(16,100)	(76,870)
<i>Fund Cash Balances, January 1</i>	<u>190,483</u>	<u>236,075</u>	<u>426,558</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	219,975	219,975
Assigned	129,713	-	129,713
<i>Fund Cash Balances, December 31</i>	<u>\$ 129,713</u>	<u>\$ 219,975</u>	<u>\$ 349,688</u>

*See accompanying notes to the basic financial statements*

**Village of Peebles, Ohio**  
*Adams County*  
**Combined Statement of Receipts, Disbursements**  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
**All Proprietary and Fiduciary Fund Types**  
*For the Year Ended December 31, 2018*

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 801,810	\$ -	\$ 801,810
Miscellaneous	13,737	-	13,737
<i>Total Operating Cash Receipts</i>	<u>815,547</u>	<u>-</u>	<u>815,547</u>
<b>Operating Cash Disbursements</b>			
Personal Services	217,658	-	217,658
Employee Fringe Benefits	77,558	-	77,558
Contractual Services	416,027	-	416,027
Other	4,820	-	4,820
<i>Total Operating Cash Disbursements</i>	<u>716,063</u>	<u>-</u>	<u>716,063</u>
<i>Operating Income (Loss)</i>	<u>99,484</u>	<u>-</u>	<u>99,484</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Loans Issued	9,273	-	9,273
Capital Outlay	(9,273)	-	(9,273)
Principal Retirement	(111,030)	-	(111,030)
Interest and Other Fiscal Charges	(32,705)	-	(32,705)
Other Financing Sources	-	30,260	30,260
Other Financing Uses	-	(30,600)	(30,600)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(143,735)</u>	<u>(340)</u>	<u>(144,075)</u>
<i>Income (Loss) before Transfers</i>	(44,251)	(340)	(44,591)
Transfers-In	38,155	-	38,155
Transfers-Out	(38,155)	-	(38,155)
<i>Net Change in Fund Cash Balances</i>	(44,251)	(340)	(44,591)
<i>Fund Cash Balances, January 1</i>	<u>355,005</u>	<u>1,176</u>	<u>356,181</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 310,754</u>	<u>\$ 836</u>	<u>\$ 311,590</u>

*See accompanying notes to the basic financial statements*

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The Village of Peebles (the Village), Adams County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, and police and fire services.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Street Construction Maintenance and Repair*** The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Police Levy Fund*** The police levy fund receives tax money for the operation of the police department.

***Fire Levy Fund*** The fire levy fund receives tax money and revenues from contracts with other political subdivisions to provide fire protection services.

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

***Water Fund*** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency 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 agency fund accounts for the financial activity of the Village Mayor's Court.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The 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.

***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. Unencumbered appropriations lapse at year end.

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

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

A summary of 2018 budgetary activity appears in Note 3.

***Deposits and Investments***

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

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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***Capital Assets***

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

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

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

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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

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

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

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 3 – Budgetary Activity**

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 225,280	\$ 239,483	\$ 14,203
Special Revenue	228,333	267,033	38,700
Enterprise	705,063	862,975	157,912
Total	\$ 1,158,676	\$ 1,369,491	\$ 210,815

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 404,646	\$ 300,339	\$ 104,307
Special Revenue	427,967	283,143	144,824
Enterprise	1,006,536	907,396	99,140
Total	\$ 1,839,149	\$ 1,490,878	\$ 348,271

**Note 4 – Deposits and Investments**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2018 was as follows:

Demand deposits	\$661,278
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***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 5 – Taxes**

***Property Taxes***

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



**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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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 6 – Risk Management**

The Village has obtained commercial insurance for the following risks:

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

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Ohio Police and Fire Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2018.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 9 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority #3103	\$ 4,144	5.77%
Ohio Water Development Authority #6721	189,600	2.00%
Ohio Water Development Authority #3922	26,510	2.00%
Ohio Water Development Authority #5084	105,621	1.50%
OPWC Sewer Line Rehab Loan #C019C	11,250	0.00%
OPWC Sewer Plant Rehab #CT40L	22,425	0.00%
USDA Mortgage Revenue Bonds	472,300	5.00%
First State Bank Real Estate Refunding Bonds	37,079	3.50%
First State Bank Dodge Truck Loan #1141	3,905	2.79%
Caterpillar Financial	13,244	2.69%
Exmark	8,280	0.00%
First State Bank Dodge Truck Loan #16203	24,555	3.25%
Total	\$918,913	

The Village was awarded Ohio Water Development Authority Loan #3103 in the amount of \$57,267. Proceeds from the loan were used to finance sewer system improvements. The Village is making semi-annual payments of \$2,191 with the final payment due July 1, 2019.

The Village was awarded Ohio Water Development Authority Loan #6721 in the amount of \$211,008. Proceeds from the loan were used to finance a waterline replacement. The Village is making semi-annual payments of \$4,694 with the final payment due July 1, 2044.

The Village was awarded Ohio Water Development Authority Loan #3922 in the amount of \$55,102. Proceeds from the loan were used to finance improvements to the Nixon Avenue water lines. The Village is making semi-annual payments of \$1,406 with the final payment due January 1, 2029.

The Village was awarded Ohio Water Development Authority Loan #5084 in the amount of \$136,196. Proceeds from the loan were used to finance improvements to the waste water treatment plant. The Village is making semi-annual payments of \$2,827 with the final payment due July 1, 2040.

The Village was awarded Ohio Public Works Commission Loan #C019C in the amount of \$50,000. Proceeds from the loan were used to finance water collection system improvements. The Village is making semi-annual payments of \$1,250 with the final payment due January 1, 2023.

The Village was awarded Ohio Public Works Commission Loan #CT40L in the amount of \$39,000. Proceeds from the loan were used to finance wastewater treatment plant improvements. The Village is making semi-annual payments of \$975 with the final payment due January 1, 2030.

The Village issued USDA Mortgage Revenue Bonds to expand water lines and to build a new wastewater treatment plant. The original bonds were for \$1,050,000. Annual payments vary according to the repayment schedule.

**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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During 2014, the Village issued Real Estate Acquisition and Improvement Refunding Bonds in the amount of \$58,001 to refinance the remaining balance from of a 2006 Real Estate Acquisition and Improvement Bond issue. Proceeds from the 2006 issue were used for the acquisition and improvement of real estate. Semi-annual payments on the 2014 issue vary according to the repayment schedule. A final balloon payment of \$34,281 plus interest is due on August 15, 2019.

The Village financed \$18,984 for the purchase of a Dodge truck through First State Bank in August of 2014. The sixty-six monthly payments of \$311 including interest at 2.79% are due on the fourteenth of each month.

The Village financed \$64,528 for the purchase of a Caterpillar 415F2 through Caterpillar Financial Service Corporation. The five annual payments of \$13,599 including interest at 2.69% are due on the first day September.

The Village financed \$8,694 for the purchase of a mower through Exmark. The Village is to make 42 monthly payments of \$207 beginning November 2018.

The Village financed \$27,283 for the purchase of a Dodge truck through First State Bank. The Village is to make 10 semi-annual payments of \$2,728 plus interest at 3.25% beginning in November 2018.

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**Village of Peebles, Ohio**  
*Adams County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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

Year ending December 31:	OWDA Loan #3103	OWDA Loan #6721	OWDA Loan #3922	OWDA Loan #5084	OWPC Loan #C019C	OPWC Loan CT40L	USDA Revenue Bonds
2019	\$ 4,309	\$ 9,388	\$ 2,812	\$ 5,654	\$ 2,500	\$ 1,950	\$ 62,215
2020	-	9,388	2,812	5,654	1,250	975	62,085
2021	-	9,388	2,812	5,654	2,500	1,950	62,065
2022	-	9,388	2,812	5,654	2,500	1,950	62,145
2023	-	9,388	2,812	5,654	2,500	1,950	62,015
2024-2028	-	46,938	14,058	28,272	-	9,750	265,890
2029-2033	-	46,938	1,404	28,272	-	3,900	35,280
2034-2038	-	46,938	-	28,272	-	-	-
2039-2043	-	46,938	-	11,312	-	-	-
2044	-	9,383	-	-	-	-	-
<b>Total</b>	<b>\$ 4,309</b>	<b>\$ 244,075</b>	<b>\$ 29,522</b>	<b>\$ 124,398</b>	<b>\$ 11,250</b>	<b>\$ 22,425</b>	<b>\$ 611,695</b>

Year ending December 31:	Real Estate Refunding Bonds	First State Bank Dodge Truck #1141	Caterpillar Financial	Exmark	First State Bank Dodge Truck Loan #16203	Total
2019	\$ 38,326	\$ 3,727	\$ 13,601	\$ 2,484	\$ 6,210	\$ 153,176
2020	-	243	-	2,484	6,034	90,925
2021	-	-	-	2,484	5,856	92,709
2022	-	-	-	828	5,678	90,955
2023	-	-	-	-	2,773	87,092
2024-2028	-	-	-	-	-	364,908
2029-2033	-	-	-	-	-	115,794
2034-2038	-	-	-	-	-	75,210
2039-2043	-	-	-	-	-	58,250
2044	-	-	-	-	-	9,383
<b>Total</b>	<b>\$ 38,326</b>	<b>\$ 3,970</b>	<b>\$ 13,601</b>	<b>\$ 8,280</b>	<b>\$ 26,551</b>	<b>\$ 1,138,402</b>

**Note 10 – Contingent Liabilities**

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

**Bastin & Company, LLC**  
*Certified Public Accountants*

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

Village of Peebles  
Adams County  
101 North Miami Avenue  
Peebles, Ohio 45002

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Peebles, Adams County, (the Village) 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 February 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. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

***Internal Controls Over Financial Reporting***

As part of our financial statement audit, we considered the Village'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's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. 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 2019-01 to be a material weakness.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the 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's Response to Findings***

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village'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 report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio  
February 19, 2021

**Village of Peebles, Ohio**  
*Adams County*  
*Schedule of Findings*  
*December 31, 2019 and 2018*

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2019-01 – Audit Adjustments**

Material Weakness - Financial Reporting

The following audit adjustments were made to the financial statements that were not initially identified by the Village's internal control:

- For 2018 and 2019, various receipts recorded as fines, licenses and permits, special assessments, charges for services or miscellaneous totaling \$21,242 and \$50,347, respectively, were recorded to incorrect accounts. As a result, adjustments were made to properly reclassify these items to proper receipt line items.
- For 2018 and 2019, debt related transactions totaling \$8,132 and \$195, respectively, were recorded to incorrect accounts. As a result, adjustments were made to reclassify these items to properly record debt payment activity.
- For 2018 and 2019, proceeds from various loans and the related expenses totaling \$36,556 and \$34,880, respectively, were not recorded. As a result, adjustments were made to properly record these receipts and related expenditures that were made on behalf of the Village by the lending institutions.
- For 2018 and 2019, a portion of the General Fund's unassigned fund cash balance was reclassified to assigned fund balance in the amounts of \$129,713 and \$100,354, respectively. The reclassifications were made to report the portion of year end fund cash balance that has been assigned to fund the subsequent year's appropriations in accordance with GASB 54.
- The activities and correct fund cash balances were not included in the Villages financial statements for the Mayor's Court Agency Fund for 2018 and 2019. As a result, adjustments were made to properly record balances and activity for both years.

The Village's financial statements and footnotes have been adjusted to reflect the above adjustments and to present proper disclosures in the footnotes.

The presentation of materially correct financial statements and the related footnotes is the responsibility of management. We recommend that the Village implement control procedures that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes.

**Village's Response**

The Village will attempt to ensure that transactions are recorded in the correct accounts and record transactions that are paid by entities outside of the Village when they are made on the Village's behalf. As for the GASB 54 adjustment and recording the Mayor's Court activity, these items are not items normally handled in the accounting system of the Village. We will look into these items in the future.

**Village of Peebles, Ohio**  
*Adams County*  
*Summary Schedule of Prior Audit Findings*  
*December 31, 2019 and 2018*

Finding Number	Finding Summary	Status	Additional Information
2017-01	Audit Adjustments	Not corrected	Current year conditions included as finding number 2019-01



# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF PEBBLES**

**ADAMS 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 4/20/2021**

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](http://www.ohioauditor.gov)