



**VILLAGE OF SUNBURY  
DELAWARE COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2019 - 2018**

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Marietta, OH 45750  
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KEITH FABER



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Members of Council  
Village of Sunbury  
9 East Granville Street  
Sunbury, Ohio 43074

We have reviewed the *Independent Auditor's Report* of the Village of Sunbury, Delaware County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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 Sunbury 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

October 22, 2021

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VILLAGE OF SUNBURY  
DELAWARE COUNTY

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## INDEPENDENT AUDITOR'S REPORT

October 11, 2021

Village of Sunbury  
Delaware County  
9 East Granville Street  
Sunbury, Ohio 43074

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 Sunbury**, Delaware 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 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.

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***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 Sunbury, Delaware County as of December 31, 2019 and 2018, and 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 14 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. As discussed in Note 15, the Village restated beginning fund balance of the General and Fiduciary Funds at January 1, 2018 to correct improper fund classification. We did not modify our opinions regarding these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 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.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**VILLAGE OF SUNBURY  
DELAWARE 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	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 347,720	\$ -	\$ -	\$ -	\$ 347,720
Municipal Income Tax	3,301,892	-	-	-	3,301,892
Intergovernmental	134,513	722,730	-	-	857,243
Special Assessments	-	-	82,522	-	82,522
Charges for Services	-	44,495	-	-	44,495
Fines, Licenses and Permits	699,973	174,473	-	-	874,446
Earnings on Investments	331,213	45,165	-	-	376,378
Miscellaneous	86,017	46,084	-	-	132,101
<i>Total Cash Receipts</i>	<u>4,901,328</u>	<u>1,032,947</u>	<u>82,522</u>	<u>-</u>	<u>6,016,797</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	1,178,954	-	-	-	1,178,954
Public Health Services	-	50,317	-	-	50,317
Leisure Time Activities	-	28,699	-	-	28,699
Community Environment	89,227	-	-	-	89,227
Transportation	609,634	50,595	-	-	660,229
General Government	1,233,172	4,919	-	-	1,238,091
Capital Outlay	167,701	933,680	-	-	1,101,381
Debt Service:					
Principal Retirement	-	19,312	207,331	-	226,643
Interest and Fiscal Charges	-	2,478	52,978	-	55,456
<i>Total Cash Disbursements</i>	<u>3,278,688</u>	<u>1,090,000</u>	<u>260,309</u>	<u>-</u>	<u>4,628,997</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,622,640</u>	<u>(57,053)</u>	<u>(177,787)</u>	<u>-</u>	<u>1,387,800</u>
<b>Other Financing Receipts (Disbursements)</b>					
Other Debt Proceeds	-	90,096	-	-	90,096
Transfers In	-	64,000	163,850	-	227,850
Transfers Out	(227,850)	-	-	-	(227,850)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(227,850)</u>	<u>154,096</u>	<u>163,850</u>	<u>-</u>	<u>90,096</u>
<i>Net Change in Fund Cash Balances</i>	<u>1,394,790</u>	<u>97,043</u>	<u>(13,937)</u>	<u>-</u>	<u>1,477,896</u>
<i>Fund Cash Balances, January 1</i>	<u>8,540,139</u>	<u>1,096,815</u>	<u>258,838</u>	<u>72,879</u>	<u>9,968,671</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	-	1,191,410	244,901	72,879	1,509,190
Committed	-	2,448	-	-	2,448
Assigned	1,007,454	-	-	-	1,007,454
Unassigned	8,927,475	-	-	-	8,927,475
<i>Fund Cash Balances, December 31</i>	<u>\$ 9,934,929</u>	<u>\$ 1,193,858</u>	<u>\$ 244,901</u>	<u>\$ 72,879</u>	<u>\$ 11,446,567</u>

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

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 1,319,131
<i>Total Operating Cash Receipts</i>	1,319,131
<b>Operating Cash Disbursements</b>	
Personal Services	216,327
Employee Fringe Benefits	89,427
Contractual Services	226,013
Supplies and Materials	119,471
Claims	429
<i>Total Operating Cash Disbursements</i>	651,667
<i>Operating Income</i>	667,464
<b>Non-Operating Receipts (Disbursements)</b>	
Capital Outlay	(165,400)
Principal Retirement	(206,371)
Interest and Other Fiscal Charges	(222,222)
<i>Total Non-Operating Receipts (Disbursements)</i>	(593,993)
<i>Net Change in Fund Cash Balances</i>	73,471
<i>Fund Cash Balances, January 1</i>	4,171,360
<i>Fund Cash Balances, December 31</i>	\$ 4,244,831

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

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

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

**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Sunbury, Delaware County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides police protection, parks and recreation, building inspection, street maintenance and repairs and sewer.

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

The Village participates in jointly governed organizations, joint ventures, and a public entity risk pool and is associated with a related organization. Notes 6, 10, 11 and 12 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**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 Fund*** – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

***Sunbury Memorial Park Fund*** – This fund accounts for and reports donations and general fund transfers that are committed to fund construction of the park.

***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 Debt Service Fund:

***Bond Retirement Fund*** – This fund receives transfers to make scheduled debt payments on the 2015 Bond Refunding.

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***Capital Projects 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 significant Capital Project Funds:

***Capital Projects Fund*** – This fund accounts for various receipts associated with capital expenditures of the Village.

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

***Water Fund*** – This fund is dormant and will be used to tear down the existing water plant.

***Sewer Fund*** – This fund receives charges for services from residents to cover sewer service costs.

***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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

VILLAGE OF SUNBURY  
DELAWARE COUNTY

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

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***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.

Investments in STAR Ohio are measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

***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.

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

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.

**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	\$ 4,204,752	\$ 4,901,328	\$ 696,576
Special Revenue	697,843	1,187,043	489,200
Debt Service	331,050	246,372	(84,678)
Enterprise	1,500,000	1,319,131	(180,869)
Total	\$ 6,733,645	\$ 7,653,874	\$ 920,229

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,621,929	\$ 4,513,993	\$ 107,936
Special Revenue	1,319,148	1,137,000	182,148
Debt Service	361,119	260,309	100,810
Capital Projects	72,879	-	72,879
Enterprise	2,080,741	1,298,745	781,996
Total	\$ 8,455,816	\$ 7,210,047	\$ 1,245,769

**Note 4 – Deposits and Investments**

The Village maintains a deposit and investment 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	\$ 436,099
Certificates of Deposit	4,093,318
Total Deposits	4,529,417
STAR Ohio	11,161,981
Total Investments	11,161,981
Total Deposits and Investments	\$ 15,691,398

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)**

**Note 4 – Deposits and Investments (Continued)**

**Deposits:** Deposits are insured by the Federal Deposit 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.

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**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 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.

***Income Taxes***

The Village levies a municipal income tax of one (1.0) 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 - Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)**

**Note 6 - Risk Management (Continued)**

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>( 11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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 healthcare 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***

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

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



**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)**

**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 members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model 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.

**Note 9 - Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Cemetery Land Acquisition Bonds	\$ 63,000	3.50%
General Obligation Capital Facility Bonds	26,761	4.50%
OWDA #4068	5,400,229	4.16%
Various Purpose Bonds, Series 2015	1,415,000	6.00%
OPWC CQ06R	36,667	0.00%
OPWC CQ09T	38,236	0.00%
OPWC CQ29U	30,718	0.00%
OPWC CQ38V	90,096	0.00%
Total	<u>\$ 7,100,707</u>	

The Cemetery Land Acquisition Bonds mature December 1, 2026 and will be repaid with income from receipts lawfully available for such payment. Annual debt service payments range from \$10,240 to \$16,362. Payments are made from the Cemetery Fund.

The Capital Facility Bonds mature December 1, 2028 and will be repaid with special assessment taxes. Annual debt service requirements range from \$12,750 to \$12,850. Bond covenants required the Village to establish a debt service fund.

The Ohio Water Development Authority (OWDA) loan relates to the wastewater treatment plant improvements. The loan matures January 1, 2037 and will be repaid in semiannual installments. The loan is secured by sewer receipts and payments are made from the Sewer Fund.

The Various Purpose Bonds, Series 2015 is in relation to the refunding of various bond anticipation notes issued in prior years to payoff general obligation notes consisting of Park Land Bonds, Town Hall Square Streetscape Bonds, Kintner Parkway Bonds, Sunbury Plaza I Bonds and Sunbury Plaza II Bonds. Payments are made annually with the last maturity occurring in 2028. Bond payments are made from a Debt Service Fund.

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)**

**Note 9 – Debt (Continued)**

The Ohio Public Works Commission (OPWC) loan CQ06R relates to various street improvement projects started in 2015 and completed in 2016. The loan is zero percent interest and matures in 2031 with semi-annual payments of \$1,667. Payments are made from the Street Construction Maintenance and Repair Fund.

The Ohio Public Works Commission (OPWC) loan CQ09T relates to various street improvement projects. The loan is zero percent interest and matures in 2026 with semi-annual payments of \$2,560. Payments are made from the Street Construction Maintenance and Repair Fund.

The Ohio Public Works Commission (OPWC) loan CQ29U relates to various street improvement projects started in 2015 and completed in 2017. The loan is zero percent interest and matures in 2032 with semi-annual payments of \$1,529. Payments are made from the Street Construction Maintenance and Repair Fund.

The Ohio Public Works Commission (OPWC) loan CQ38V relates to various street improvement projects. The loan is zero percent interest and matures in 2035 with semi-annual payments of \$3,003. Payments will be made from the Street Construction Maintenance and Repair Fund.

Amortization of the Village’s debt, including interest, is scheduled as follows:

Year ending December 31:	Cemetery Land Acquisition Bonds	General Obligation Capital Facility Bonds	OWDA #4068	Various Purpose Bonds, Series 2015	OPWC Loans
2020	\$ 10,305	\$ 3,656	\$ 428,926	\$ 304,900	\$ 3,196
2021	10,321	3,667	429,274	296,700	17,518
2022	10,327	3,672	429,636	293,200	17,518
2023	10,323	3,672	430,014	279,100	17,518
2024	10,308	3,697	430,407	225,000	17,518
2025-2029	20,530	14,785	2,158,539	344,300	72,232
2030-2034	-	-	2,171,171	-	44,209
2035-2039	-	-	1,091,201	-	6,008
Total	<u>\$ 72,114</u>	<u>\$ 33,149</u>	<u>\$ 7,569,168</u>	<u>\$ 1,743,200</u>	<u>\$ 195,717</u>

**Note 10 – Joint Ventures**

The Village of Sunbury Community Park Joint Venture is a jointly governed organization between the Big Walnut Board of Education and the Village of Sunbury. The joint venture agreement was entered into for the purpose of development of an elementary school and an adjacent community park. The legislative and advisory body is made up of one member appointed by the school, one member appointed by the Village and an agreed upon third member. The Village committed 21 acres of the development for the school and park and the district has committed \$1.4 million to development of the park.

**Note 11 – Jointly Governed Organizations**

The Berkshire Township, the Village of Sunbury, Trenton Township, and the Village of Galena appoint one member to the Board of Trustees of the B.S.T. & G. Joint Fire District (the District). The B.S.T. & G. Joint Fire District provides fire protection and rescue services within the District.

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)**

**Note 12 – Related Organizations**

The Village of Sunbury appoints 4 members to the Northgate New Community Authority (NCA), which will be conducive to the public health, safety, convenience and welfare and is intended to result in the development of a new community, declaring the Authority to be organized and a body politic and corporate.

**Note 13 – Contingent Liabilities**

The Village participates in several state assisted grants that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The Village believes that disallowed claims, if any, will not have a material adverse effect on the Village's financial condition.

**Note 14 – 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, any recovery from emergency funding, either federal or state, cannot be estimated.

**VILLAGE OF SUNBURY  
DELAWARE 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	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 333,850	\$ -	\$ -	\$ -	\$ 333,850
Municipal Income Tax	3,016,857	-	-	-	3,016,857
Intergovernmental	121,594	332,093	-	-	453,687
Special Assessments	5,958	-	69,964	-	75,922
Charges for Services	-	44,554	-	-	44,554
Fines, Licenses and Permits	671,691	33,723	-	-	705,414
Earnings on Investments	220,258	30,035	-	-	250,293
Miscellaneous	55,648	32,638	-	-	88,286
<i>Total Cash Receipts</i>	<u>4,425,856</u>	<u>473,043</u>	<u>69,964</u>	<u>-</u>	<u>4,968,863</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	1,158,588	-	-	-	1,158,588
Public Health Services	-	45,275	-	-	45,275
Leisure Time Activities	-	2,118	-	-	2,118
Community Environment	77,591	-	-	-	77,591
Transportation	593,820	66,255	-	-	660,075
General Government	982,641	1,904	-	-	984,545
Capital Outlay	142,591	295,874	-	-	438,465
Debt Service:					
Principal Retirement	-	13,893	202,240	-	216,133
Interest and Fiscal Charges	-	2,741	59,060	-	61,801
<i>Total Cash Disbursements</i>	<u>2,955,231</u>	<u>428,060</u>	<u>261,300</u>	<u>-</u>	<u>3,644,591</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,470,625</u>	<u>44,983</u>	<u>(191,336)</u>	<u>-</u>	<u>1,324,272</u>
<b>Other Financing Receipts (Disbursements)</b>					
Other Debt Proceeds	-	35,838	-	-	35,838
Transfers In	-	-	179,500	-	179,500
Transfers Out	(179,500)	-	-	-	(179,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(179,500)</u>	<u>35,838</u>	<u>179,500</u>	<u>-</u>	<u>35,838</u>
<i>Net Change in Fund Cash Balances</i>	1,291,125	80,821	(11,836)	-	1,360,110
<i>Fund Cash Balances, January 1 (Restated-See Note 15)</i>	<u>7,249,014</u>	<u>1,015,994</u>	<u>270,674</u>	<u>72,879</u>	<u>8,608,561</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	-	1,096,419	258,838	72,879	1,428,136
Committed	-	396	-	-	396
Assigned	218,614	-	-	-	218,614
Unassigned	8,321,525	-	-	-	8,321,525
<i>Fund Cash Balances, December 31</i>	<u>\$ 8,540,139</u>	<u>\$ 1,096,815</u>	<u>\$ 258,838</u>	<u>\$ 72,879</u>	<u>\$ 9,968,671</u>

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

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 1,309,573
<i>Total Operating Cash Receipts</i>	1,309,573
<b>Operating Cash Disbursements</b>	
Personal Services	184,381
Employee Fringe Benefits	77,241
Contractual Services	309,078
Supplies and Materials	89,125
Other	1,428
<i>Total Operating Cash Disbursements</i>	661,253
<i>Operating Income</i>	648,320
<b>Non-Operating Receipts (Disbursements)</b>	
Capital Outlay	(134,066)
Principal Retirement	(198,047)
Interest and Other Fiscal Charges	(230,226)
<i>Total Non-Operating Receipts (Disbursements)</i>	(562,339)
<i>Net Change in Fund Cash Balances</i>	85,981
<i>Fund Cash Balances, January 1</i>	4,085,379
<i>Fund Cash Balances, December 31</i>	\$ 4,171,360

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

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

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

**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Sunbury, Delaware County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides police protection, parks and recreation, building inspection, street maintenance and repairs and sewer.

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

The Village participates in jointly governed organizations, joint ventures, and a public entity risk pool and is associated with a related organization. Notes 6, 10, 11 and 12 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**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 Fund*** – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

***Sunbury Memorial Park Fund*** – This fund accounts for and reports donations and general fund transfers that are committed to fund construction of the park.

***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 Debt Service Funds:

***Bond Retirement Fund*** – This fund receives transfers to make scheduled debt payments on the 2015 Bond Refunding.

***SBM Plaza TIF Fund*** – This fund receives special assessments to make scheduled debt payments.

VILLAGE OF SUNBURY  
DELAWARE COUNTY

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

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

***Capital Projects 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 significant Capital Project Funds:

***Capital Projects Fund*** – This fund accounts for various receipts associated with capital expenditures of the Village.

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

***Water Fund*** – This fund is dormant and will be used to tear down the existing water plant.

***Sewer Fund*** – This fund receives charges for services from residents to cover sewer service costs.

***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 Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***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.

Investments in STAR Ohio are measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

***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.



**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

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.

**Note 3 – Budgetary Activity**

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 4,174,868	\$ 4,425,856	\$ 250,988
Special Revenue	504,502	508,881	4,379
Debt Service	323,314	249,464	(73,850)
Enterprise	1,000,000	1,309,573	309,573
Total	\$ 6,002,684	\$ 6,493,774	\$ 491,090

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,241,075	\$ 3,353,345	\$ 887,730
Special Revenue	899,665	430,787	468,878
Debt Service	261,301	261,300	1
Capital Projects	72,879	-	72,879
Enterprise	1,846,125	1,260,733	585,392
Total	\$ 7,321,045	\$ 5,306,165	\$ 2,014,880

**Note 4 – Deposits and Investments**

The Village maintains a deposit and investment 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	\$ 353,507
Certificates of Deposit	3,975,411
Total Deposits	4,328,918
STAR Ohio	9,811,113
Total Investments	9,811,113
Total Deposits and Investments	\$ 14,140,031

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

**Note 4 – Deposits and Investments (Continued)**

**Deposits:** Deposits are insured by the Federal Deposit 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.

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**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 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.

***Income Taxes***

The Village levies a municipal income tax of one (1.0) 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 - Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

**Note 6 - Risk Management (Continued)**

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

Assets	\$15,065,412
Liabilities	<u>(10,734,623)</u>
Members' Equity	<u>\$ 4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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 healthcare 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***

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

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

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

**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 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.

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.

**Note 9 - Debt**

Debt outstanding at December 31, 2018 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Cemetery Land Acquisition Bonds	\$ 70,800	3.50%
General Obligation Capital Facility Bonds	29,092	4.50%
OWDA #4068	5,606,600	4.16%
Various Purpose Bonds, Series 2015	1,620,000	6.00%
OPWC CQ06R	40,000	0.00%
OPWC CQ09T	41,295	0.00%
OPWC CQ29U	35,838	0.00%
Total	<b>\$ 7,443,625</b>	

The Cemetery Land Acquisition Bonds mature December 1, 2026 and will be repaid with income from receipts lawfully available for such payment. Annual debt service payments range from \$10,240 to \$16,362. Payments are made from the Cemetery Fund.

The Capital Facility Bonds mature December 1, 2028 and will be repaid with special assessment taxes. Annual debt service requirements range from \$12,750 to \$12,850. Bond covenants required the Village to establish a debt service fund.

The Ohio Water Development Authority (OWDA) loan relates to the wastewater treatment plant improvements. The loan matures January 1, 2037 and will be repaid in semiannual installments. The loan is secured by sewer receipts and payments are made from the Sewer Fund.

The Various Purpose Bonds, Series 2015 is in relation to the refunding of various bond anticipation notes issued in prior years to payoff general obligation notes consisting of Park Land Bonds, Town Hall Square Streetscape Bonds, Kintner Parkway Bonds, Sunbury Plaza I Bonds and Sunbury Plaza II Bonds. Payments are made annually with the last maturity occurring in 2028. Bond payments are made from a Debt Service Fund.

The Ohio Public Works Commission (OPWC) loan CQ06R relates to various street improvement projects started in 2015 and completed in 2016. The loan is zero percent interest and matures in 2031 with semi-annual payments of \$1,667. Payments are made from the Street Construction Maintenance and Repair Fund.

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

**Note 9 – Debt (Continued)**

The Ohio Public Works Commission (OPWC) loan CQ09T relates to various street improvement projects. The loan is zero percent interest and matures in 2026 with semi-annual payments of \$2,560. Payments are made from the Street Construction Maintenance and Repair Fund.

The Ohio Public Works Commission (OPWC) loan CQ29U relates to various street improvement projects started in 2015 and completed in 2017. The loan is zero percent interest and matures in 2032 with semi-annual payments of \$1,529. Payments are made from the Street Construction Maintenance and Repair Fund.

Amortization of the Village's debt, including interest, is scheduled as follows:

Year ending December 31:	Cemetery Land Acquisition Bonds	General Obligation Capital Facility Bonds	OWDA #4068	Various Purpose Bonds, Series 2015	OPWC Loans
2019	\$ 10,278	\$ 3,640	\$ 428,592	\$ 302,200	\$ 5,756
2020	10,305	3,656	428,926	304,900	8,952
2021	10,321	3,667	429,274	296,700	11,512
2022	10,327	3,672	429,636	293,200	11,512
2023	10,323	3,672	430,014	279,100	11,512
2024-2028	30,838	18,482	2,156,310	569,300	47,320
2029-2033	-	-	2,168,432	-	20,569
2034-2038	-	-	1,526,576	-	-
Total	<u>\$ 82,392</u>	<u>\$ 36,789</u>	<u>\$ 7,997,760</u>	<u>\$ 2,045,400</u>	<u>\$ 117,133</u>

**Note 10 – Joint Ventures**

The Village of Sunbury Community Park Joint Venture is a jointly governed organization between the Big Walnut Board of Education and the Village of Sunbury. The joint venture agreement was entered into for the purpose of development of an elementary school and an adjacent community park. The legislative and advisory body is made up of one member appointed by the school, one member appointed by the Village and an agreed upon third member. The Village committed 21 acres of the development for the school and park and the district has committed \$1.4 million to development of the park.

**Note 11 – Jointly Governed Organizations**

The Berkshire Township, the Village of Sunbury, Trenton Township, and the Village of Galena appoint one member to the Board of Trustees of the B.S.T. & G. Joint Fire District (the District). The B.S.T. & G. Joint Fire District provides fire protection and rescue services within the District.

**Note 12 – Related Organizations**

The Village of Sunbury appoints 4 members to the Northgate NCA (New Community Authority), which will be conducive to the public health, safety, convenience and welfare and is intended to result in the development of a new community, declaring the Authority to be organized and a body politic and corporate.

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

**Note 13 – Contingent Liabilities**

The Village participates in several state assisted grants that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The Village believes that disallowed claims, if any, will not have a material adverse effect on the Village's financial condition.

**Note 14 – 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, any recovery from emergency funding, either federal or state, cannot be estimated.

**Note 15 – Restatement**

The restatement is due to the Village eliminating the Agency Fund to properly account for zoning permit monies.

	<u>General Fund</u>	<u>Agency Fund</u>
Fund Balance at December 31, 2017	\$ 7,071,992	\$ 177,022
Change in Fund Balance	177,022	(177,022)
Adjusted Fund Balance at January 1, 2018	<u>\$ 7,249,014</u>	<u>\$ -</u>



313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

150 West Main St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

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

October 11, 2021

Village of Sunbury  
Delaware County  
9 East Granville Street  
Sunbury, Ohio 43074

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 Sunbury**, Delaware 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 October 11, 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 and we noted that the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We also noted that the Village restated beginning fund balances in the General and Fiduciary Funds at January 1, 2018.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of audit findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and a significant deficiency.

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations  
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### **Internal Control Over Financial Reporting (Continued)**

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. We consider finding 2019-001 described in the accompanying schedule of audit findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2019-002 described in the accompanying schedule of audit findings to be a significant deficiency.

### **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 financial statements. 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 responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not subject the Village's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2019-001**

**Material Weakness**

**Financial Reporting**

The Village should have procedures and controls in place to prevent and detect errors in financial reporting. Fund balances should be properly classified based on Governmental Accounting Standards Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

During 2019 and 2018, receipts, disbursements, and fund balances were not always posted or classified correctly. The following posting errors were noted:

- OPWC debt proceeds and the corresponding Capital Outlay disbursements were not recorded in 2019;
- OPWC debt proceeds were misclassified as Other Financing Sources instead of Other Debt Proceeds in the Street Fund in 2018;
- Outstanding encumbrances at year-end were misclassified as Unassigned instead of Assigned in the General Fund in 2019 and 2018;
- Fund balances were misclassified as Assigned and Unassigned instead of Restricted and Committed in all Special Revenue, Debt Service, and Capital Projects Funds in 2019 and 2018;
- Rollback receipts were misclassified as Property and Other Local Taxes instead of Intergovernmental in the General Fund in 2019 and 2018;
- An interest receipt was misclassified as Property and Other Local Taxes instead of Earnings on Investments in the General Fund in 2018;
- BWC refund receipts were misclassified as Intergovernmental instead of Miscellaneous in the General Fund in 2019 and 2018;
- Impact fee receipts were misclassified as Charges for Services instead of Fines, Licenses and Permits in the Impact Fees Police Facilities and Impact Fees Municipal Facilities Funds in 2019 and 2018;
- Auto license tax, gasoline tax, and permissive tax receipts were not allocated to the correct funds in 2019 and 2018;
- An OPWC grant receipt was incorrectly booked twice in the Street Fund in 2019;
- OPWC and ODOT grant receipts were misclassified as Miscellaneous instead of Intergovernmental in the Street Fund in 2019;
- A transfer from the Bond Retirement Fund to the SB Mead Plaza TIF Fund was made in error in 2018.

Not posting receipts, disbursements, and fund balances accurately resulted in the financial statements requiring several adjustments and reclassifications. The Village has made the adjustments to their accounting system. The financial statements reflect all adjustments and reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

VILLAGE OF SUNBURY  
DELAWARE COUNTY

SCHEDULE OF AUDIT FINDINGS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2019-2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-001 (CONTINUED)

**Financial Reporting (Continued)**

We also recommend the Fiscal Officer refer to the Ohio Village Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements. The Fiscal Officer should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

**Official's Response** – End of year report will be reviewed by outside accounting services.

FINDING NUMBER 2019-002

**Significant Deficiency**

**Utility Adjustments**

Adequate records were not maintained to support all noncash adjustments made to customer accounts by the Village. Noncash adjustments made to individual customer accounts were not approved by the Village Council, or reviewed by anyone other than the individual making the adjustment to customer accounts.

Failure to properly document and approve adjustments to customer accounts could result in theft of utility service or misappropriation of Village funds. Also, inappropriate adjustments are more likely to occur without proper approval from the Village Council prior to an adjustment being made.

The Village should implement a formal policy and procedure when preparing and approving customer account adjustments. We also recommend that the Village Council review and approve bill adjustment reports on a monthly basis.

**Official's Response** – Audit adjustments are reviewed by the Administrator.

**VILLAGE OF SUNBURY  
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Financial Reporting	Not Corrected	Repeated as Finding 2019-001
2017-002	Controls over Fines, Licenses and Permits	Partially Corrected	Moved to Management Letter
2017-003	Ohio Revised Code Section 5705.09(F)	Corrected	N/A

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF SUNBURY**

**DELAWARE 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 11/4/2021**

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)