



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VILLAGE OF LEWISBURG  
PREBLE COUNTY  
DECEMBER 31, 2021 AND 2020**

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**INDEPENDENT AUDITOR'S REPORT**

Village of Lewisburg  
Preble County  
112 South Commerce Street  
Lewisburg, Ohio 45338

To the Village Council:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of Lewisburg, Preble County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2021 and 2020, of the changes in financial position thereof for the years then ended.

***Basis for Opinions***

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

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

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

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

***Emphasis of Matter***

As discussed in Note 12 to the financial statements for the years ending December 31, 2021 and December 31, 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 14, 2022

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**Village of Lewisburg, Ohio**  
*Preble County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2021*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$180,325	\$147,649	\$25,473	\$353,447
Municipal Income Tax	1,134,754	0	188,462	1,323,216
Intergovernmental	78,854	253,954	893,801	1,226,609
Charges for Services	339,638	0	39,000	378,638
Fines, Licenses and Permits	1,758	150	0	1,908
Earnings on Investments	2,268	9	2	2,279
Miscellaneous	10,857	185	23,249	34,291
<i>Total Cash Receipts</i>	<u>1,748,454</u>	<u>401,947</u>	<u>1,169,987</u>	<u>3,320,388</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	977,114	62,295	0	1,039,409
Leisure Time Activities	405	31,155	0	31,560
Community Environment	4,544	0	0	4,544
Basic Utility Services	1,474	0	0	1,474
Transportation	14,771	106,889	0	121,660
General Government	367,948	2,504	1	370,453
Capital Outlay	45,149	0	667,224	712,373
Debt Service:				
Principal Retirement	72,234	17,980	132,672	222,886
Interest and Fiscal Charges	24,524	13,672	7,362	45,558
<i>Total Cash Disbursements</i>	<u>1,508,163</u>	<u>234,495</u>	<u>807,259</u>	<u>2,549,917</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>240,291</u>	<u>167,452</u>	<u>362,728</u>	<u>770,471</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Notes	0	0	195,350	195,350
Transfers In	328,403	0	218,936	547,339
Transfers Out	(547,339)	0	0	(547,339)
Other Financing Sources	5,270	685	0	5,955
Other Financing Uses	(1,650)	0	0	(1,650)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(215,316)</u>	<u>685</u>	<u>414,286</u>	<u>199,655</u>
<i>Net Change in Fund Cash Balances</i>	24,975	168,137	777,014	970,126
<i>Fund Cash Balances, January 1</i>	<u>478,877</u>	<u>173,082</u>	<u>971,176</u>	<u>1,623,135</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$503,852</u></u>	<u><u>\$341,219</u></u>	<u><u>\$1,748,190</u></u>	<u><u>\$2,593,261</u></u>

*See accompanying notes to the basic financial statements*

**Village of Lewisburg, Ohio**  
*Preble County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2021*

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$1,147,623
Fines, Licenses and Permits	1,632
<i>Total Operating Cash Receipts</i>	<u>1,149,255</u>
<b>Operating Cash Disbursements</b>	
Personal Services	682,779
Contractual Services	128,534
Supplies and Materials	186,940
<i>Total Operating Cash Disbursements</i>	<u>998,253</u>
<i>Operating Income (Loss)</i>	<u>151,002</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Capital Outlay	(7,697)
Principal Retirement	(189,691)
Interest and Other Fiscal Charges	(22,040)
Other Financing Sources	9,345
Other Financing Uses	(330)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(210,413)</u>
<i>Net Change in Fund Cash Balances</i>	(59,411)
<i>Fund Cash Balances, January 1</i>	<u>152,773</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$93,362</u></u>

*See accompanying notes to the basic financial statements*

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Village of Lewisburg (the Village), Preble 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, park operations, fire/EMS services and police services.

The Village is associated with the Brown Memorial Library, a related organization. Note 10 to the financial statements provides additional information for this entity.

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 fund types which are all organized on a fund type basis.

***Fund Accounting***

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

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

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

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

***Recreation Fund*** This fund receives taxes and intergovernmental receipts for providing leisure time activities to Village residents

***Fire/Ambulance Fund*** This fund receives property tax and intergovernmental receipts for providing fire and ambulance services to Village residents.

***Police Fund*** This fund receives property tax and intergovernmental receipts for providing law enforcement and police services to Village residents.

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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

**Capital Improvement Project Fund** This fund receives transfers from the General Fund and other funding sources for various capital improvement projects within 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 receives charges for services from residents to cover water service costs.

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

**Sanitation Fund** This fund receives charges for services from residents to cover sanitation 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 be budgeted annually.

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

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

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

A summary of 2021 budgetary activity appears in Note 3.

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***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.

***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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

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

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

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

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,860,195	\$2,082,127	\$221,932
Special Revenue	399,163	402,632	3,469
Capital Projects	1,333,720	1,584,273	250,553
Enterprise	1,154,710	1,158,600	3,890
<b>Total</b>	<b>\$4,747,788</b>	<b>\$5,227,632</b>	<b>\$479,844</b>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,068,752	\$2,073,158	(\$4,406)
Special Revenue	441,039	237,485	203,554
Capital Projects	1,675,339	808,706	866,633
Enterprise	1,212,666	1,236,694	(24,028)
<b>Total</b>	<b>\$5,397,796</b>	<b>\$4,356,043</b>	<b>\$1,041,753</b>

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Village also has segregated accounts which include clearing accounts and amounts with fiscal and escrow agents that are not part of this pool. A summary of the Village's deposit and investment accounts are as follows:

	2021
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$2,347,662
Certificates of deposit	338,961
Total deposits	<b>\$2,686,623</b>

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village; 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.

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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.

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

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

**Note 6 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

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

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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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, 2021.

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

The 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, 2021.

***Social Security***

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

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

**Note 9 – Debt**

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



**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan (CK20D) Sludge	\$71,139	0.00%
Ohio Public Works Commission Loan (CT80P) Wastewater Plant	1,083,333	0.00%
Ohio Water Development Authority Loan (#8716) South WWTP	43,429	1.85%
Ohio Water Development Authority Loan (#7451) Water Tower	80,430	0.06%
Ohio Water Development Authority Loan (#4717) Water Treatment Plant	541,249	2.75%
Ohio Water Development Authority Loan (#7911) Water Well #3 Rehab	28,842	2.59%
LCNB Various Purpose Refunding Bonds, Series 2018	987,100	2.40%
Farmers State Bank Loan (Refuse Collection Vehicle)	119,740	3.55%
Farmers State Bank Loan (Truck)	57,170	3.55%
Farmers State Bank Loan (Ambulance)	195,350	3.55%
Ohio Department of Transportation (ODOT) SIB Loan	856,981	3.00%
Total	<u>\$4,064,763</u>	

The Village received an interest free loan from the Ohio Public Works Commission in the amount of \$474,256. This loan was used to finance a sludge management facilities remodel project (CK20D). The Village is making semi-annual payments of \$11,856 with the final payment due in July 2024.

During 2012, the Village received an interest free loan from the Ohio Public Works Commission in the amount of \$1,300,000. This loan was used to finance a wastewater treatment plant alterations project (CT80P). The loan terms require repayment over 30 years following project completion. The Village is making semi-annual payments of \$21,667 with the final payment due in July 2046.

The Village received loan from the Ohio Water Development Authority (OWDA) for \$48,299 at a 1.85 percent interest rate. This loan is being used to finance the South WWTP Equipment Replacement and Repairs #8716. The loan terms require repayment over 5 years following project completion. The Village is making semi-annual payments of \$5,079 with the final payment due in January 2026.

The Village received a loan from the Ohio Water Development Authority (OWDA) for \$100,400 at a 0.06 percent interest rate. This loan is being used to finance a water tower stem repairs and replacement of the water plant generator projects #7451. The loan terms require repayment over 20 years following project completion. The Village will be making semi-annual payments of \$2,525.47 with the final payment due in July 2037.

The Village received a loan from the Ohio Water Development Authority (OWDA) for \$1,400,434 at a 2.75 percent interest rate. This loan was used to finance water treatment plant improvements #4717. The Village is making semi-annual payments of \$45,751 with the final payment due in January 2028.

The Village received a loan from the Ohio Water Development Authority (OWDA) for \$55,000 at a 2.59 percent interest rate. This loan is being used to finance the water well #3 rehabilitation repairs #7911. The loan terms require repayment over 5 years following project completion. The Village will be making semi-annual payments of \$5,994.51 with the final payment due in January 2024.

The Village previously issued its General Obligation Various Purpose Refunding Bonds, Series 2018 in the amount of \$746,000 at a 4.35 percent interest rate to finance the cost of acquiring and/or making various public improvements in the Village and financing public infrastructure and other improvements in the

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

Village. The Village issued its Various Purpose Bonds, Series 2020 at a 2.40 percent interest rate to refinance the 2018 Bonds in the amount of \$596,800 and the acquisition of a fire truck in the amount of \$500,000. The Village will be making annual payment of \$109,700 plus any accrued interest due at December 1.

The Village received a loan from the Farmers State Bank in April 2021 for \$119,740 at a rate of 3.55 percent to refinance the loan purchase of a refuse collection truck. A principal reduction payment of \$40,260 was made during 2021. The loan will mature on April 23, 2022.

The Village received a loan from the Farmers State Bank for \$70,260 at a 3.55 percent interest rate. This loan is being used to finance the purchase of a dump truck vehicle. The loan is unsecured for a term of five years. The Village will be making annual payments of \$15,583.88, with the final payment due in October 2025.

The Village received a loan from the Farmers State Bank for \$195,350 at a 3.55 percent interest rate. This loan is being used to finance the purchase of an ambulance. The loan is unsecured for a term of three years. The Village will be making annual payments of \$69,795.80, with the final payment due in September 2024.

The Village received a loan from the Ohio Department of Transportation (ODOT) for \$850,000 at a 3.00 percent interest rate. This loan is being used to finance a street resurfacing project. The loan terms require repayment over 20 years following project completion. The Village will be making semi-annual payments of \$31,651.42 beginning September 2021, with the final payment due in March 2039. The outstanding loan balance increased by \$12,750 during 2021 due to accrued interest.

***Amortization***

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

Year Ending December 31:	OPWC CK20D	OPWC CT80P	OWDA #8716	OWDA #7451	OWDA #4717
2022	\$23,713	\$43,333	\$10,634	\$5,052	\$91,502
2023	23,713	43,333	10,634	5,052	91,502
2024	23,713	43,333	10,634	5,052	91,502
2025		43,333	10,634	5,052	91,502
2026		43,333	5,317	5,052	91,502
2027-2031		216,667		25,259	137,254
2032-2036		216,667		25,259	
2037-2041		216,667		5,052	
2042-2046		216,667			
Total	<u>\$71,139</u>	<u>\$1,083,333</u>	<u>\$47,853</u>	<u>\$80,830</u>	<u>\$594,764</u>

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

Year Ending December 31:	OWDA #7911	LCNB	Farmers State	Farmers State		ODOT SIB Loan
		Various Purpose Refunding	Bank Refuse Collection Vehicle	Bank Farmers State Bank Truck	Bank Ambulance	
	Bond Series 2018					
2022	\$11,990	\$133,719	\$123,990	\$15,584	\$69,796	\$63,303
2023	11,990	130,950		15,584	69,796	63,303
2024	5,995	128,434		15,584	69,796	63,303
2025		125,714		15,584		63,303
2026		588,455				63,303
2027-2031						316,514
2032-2036						316,514
2037-2041						158,257
	<u>\$29,975</u>	<u>\$1,107,272</u>	<u>\$123,990</u>	<u>\$62,336</u>	<u>\$209,388</u>	<u>\$1,107,800</u>

**Note 10 – Related Organizations**

The Brown Memorial Library is a related organization to the Village. The Village Council is responsible for appointing the trustees of the Library Board; however, the Village Council cannot influence the Library’s operation nor does the Library represent a potential financial benefit or burden on the Village.

**Note 11 – Fund Balances**

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

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$16,006	\$2,990	\$1,447	\$20,443
<i>Total</i>	<u>\$16,006</u>	<u>\$2,990</u>	<u>\$1,447</u>	<u>\$20,443</u>

The fund balance of special revenue funds is restricted. The fund balance of capital projects fund are restricted or committed. In the general fund, outstanding encumbrances are considered assigned.

**Note 12 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any,

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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cannot be determined.

During 2021, the Village received CARES Act funds for the construction of a MARCS communication tower. CARES funds in the amount of \$161,950 were received from Preble County and \$50,000 was received from Harrison Township. These are recorded in the MARCS Tower fund under Capital Improvements.

**Village of Lewisburg, Ohio**  
*Preble County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2020*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$171,897	\$145,719	\$25,616	\$343,232
Municipal Income Tax	945,250	0	157,435	1,102,685
Intergovernmental	70,156	376,832	1,735	448,723
Charges for Services	346,023	0	39,000	385,023
Fines, Licenses and Permits	2,769	95	0	2,864
Earnings on Investments	7,629	23	7	7,659
Miscellaneous	10,363	140	0	10,503
<i>Total Cash Receipts</i>	<u>1,554,087</u>	<u>522,809</u>	<u>223,793</u>	<u>2,300,689</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	827,747	172,499	0	1,000,246
Leisure Time Activities	843	24,966	0	25,809
Community Environment	2,214	0	0	2,214
Basic Utility Services	1,390	0	0	1,390
Transportation	6,221	113,841	0	120,062
General Government	365,951	110,786	12	476,749
Capital Outlay	35,387	62,516	395,551	493,454
Debt Service:				
Principal Retirement	132,436	3,197	630,485	766,118
Interest and Fiscal Charges	29,789	182	10,582	40,553
<i>Total Cash Disbursements</i>	<u>1,401,978</u>	<u>487,987</u>	<u>1,036,630</u>	<u>2,926,595</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>152,109</u>	<u>34,822</u>	<u>(812,837)</u>	<u>(625,906)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Bonds	0	0	1,096,800	1,096,800
Sale of Refunding Bonds	0	0	117,595	117,595
Transfers In	271,111	0	180,741	451,852
Transfers Out	(451,852)	0	0	(451,852)
Other Financing Sources	184,787	5,595	0	190,382
Other Financing Uses	(2,150)	0	0	(2,150)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,896</u>	<u>5,595</u>	<u>1,395,136</u>	<u>1,402,627</u>
<i>Net Change in Fund Cash Balances</i>	154,005	40,417	582,299	776,721
<i>Fund Cash Balances, January 1</i>	<u>324,872</u>	<u>132,665</u>	<u>388,877</u>	<u>846,414</u>
<i>Fund Cash Balances, December 31</i>	<u>\$478,877</u>	<u>\$173,082</u>	<u>\$971,176</u>	<u>\$1,623,135</u>

*See accompanying notes to the basic financial statements*

**Village of Lewisburg, Ohio**  
*Preble County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2020*

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$1,159,622
Fines, Licenses and Permits	406
<i>Total Operating Cash Receipts</i>	<u>1,160,028</u>
<b>Operating Cash Disbursements</b>	
Personal Services	636,244
Contractual Services	143,038
Supplies and Materials	189,949
<i>Total Operating Cash Disbursements</i>	<u>969,231</u>
<i>Operating Income (Loss)</i>	<u>190,797</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Capital Outlay	(4,272)
Principal Retirement	(107,040)
Interest and Other Fiscal Charges	(20,117)
Other Financing Sources	19,660
Other Financing Uses	(1,320)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(113,089)</u>
<i>Net Change in Fund Cash Balances</i>	77,708
<i>Fund Cash Balances, January 1</i>	<u>75,065</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$152,773</u></u>

*See accompanying notes to the basic financial statements*

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The Village of Lewisburg (the Village), Preble 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, park operations, fire/EMS services and police services.

The Village is associated with the Brown Memorial Library, a related organization. Note 10 to the financial statements provides additional information for this entity.

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 fund types which are all organized on a fund type basis.

***Fund Accounting***

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

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

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

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

***Recreation Fund*** This fund receives taxes and intergovernmental receipts for providing leisure time activities to Village residents

***Fire/Ambulance Fund*** This fund receives property tax and intergovernmental receipts for providing fire and ambulance services to Village residents.

***Police Fund*** This fund receives property tax and intergovernmental receipts for providing law enforcement and police services to Village residents.

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

**Capital Improvement Project Fund** This fund receives transfers from the General Fund and other funding sources for various capital improvement projects within 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 receives charges for services from residents to cover water service costs.

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

**Sanitation Fund** This fund receives charges for services from residents to cover sanitation 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 be budgeted annually.

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

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

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2020 budgetary activity appears in Note 3.



**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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***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.

***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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

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

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

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

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,802,178	\$2,009,985	\$207,807
Special Revenue	521,352	528,404	7,052
Capital Projects	1,580,352	1,618,929	38,577
Enterprise	1,143,460	1,179,688	36,228
Total	\$5,047,342	\$5,337,006	\$289,664

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,967,947	\$1,855,980	\$111,967
Special Revenue	551,404	487,987	63,417
Capital Projects	1,329,725	1,036,630	293,095
Enterprise	1,161,181	1,101,980	59,201
Total	\$5,010,257	\$4,482,577	\$527,680

**Note 4 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Village also has segregated accounts which include clearing accounts and amounts with fiscal and escrow agents that are not part of this pool. A summary of the Village’s deposit and investment accounts are as follows:

	2020
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$1,437,638
Certificates of deposit	338,270
Total deposits	\$1,775,908

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village; 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.

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**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.

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

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

**Note 6 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

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

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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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, 2020.

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

The 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, 2020.

***Social Security***

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

**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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

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

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 9 – Debt**

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan (CK02C) Main Street	\$7,500	0.00%
Ohio Public Works Commission Loan (CK20D) Sludge	94,852	0.00%
Ohio Public Works Commission Loan (CT80P) Wastewater Plant	1,126,666	0.00%
Ohio Water Development Authority Loan (#8716) South WWTP	48,299	1.85%
Ohio Water Development Authority Loan (#7451) Water Tower	85,431	0.06%
Ohio Water Development Authority Loan (#4717) Water Treatment Plant	616,315	2.75%
Ohio Water Development Authority Loan (#7911) Water Well #3 Rehab	39,870	2.59%
LCNB Various Purpose Refunding Bonds, Series 2018	1,096,800	2.40%
Farmers State Bank Loan (Refuse Collection Vehicle)	160,000	3.875%
Farmers State Bank Loan (Truck)	70,260	3.55%
Ohio Department of Transportation (ODOT) SIB Loan	862,750	3.00%
Total	\$4,208,743	

The Village received an interest free loan from the Ohio Public Works Commission (OPWC) in the amount of \$150,000. This loan was used to finance the Main Street Improvement Project (CK02C). The project was completed in 2001. The Village is making semi-annual payments of \$3,750 with the final payment due in July 2021.

The Village received an interest free loan from the Ohio Public Works Commission in the amount of \$474,256. This loan was used to finance a sludge management facilities remodel project (CK20D). The Village is making semi-annual payments of \$11,856 with the final payment due in July 2024.

During 2012, the Village received an interest free loan from the Ohio Public Works Commission in the amount of \$1,300,000. This loan was used to finance a wastewater treatment plant alterations project (CT80P). The loan terms require repayment over 30 years following project completion. The Village is making semi-annual payments of \$21,667 with the final payment due in July 2046.

The Village is in the process of receiving a loan from the Ohio Water Development Authority (OWDA) for \$50,000 at a 1.85 percent interest rate. During 2020 the Village received \$48,299 in loan proceeds. This loan is being used to finance the South WWTP Equipment Replacement and Repairs. The loan terms require repayment over 5 years following project completion. The Ohio Water Development Authority (OWDA) loan for South WWTP Equipment Replacement & Repairs, Account #8716, is not complete at December 31, 2020. No amortization schedule has been issued.

The Village received a loan from the Ohio Water Development Authority (OWDA) for \$100,400 at a 0.06 percent interest rate. This loan is being used to finance a water tower stem repairs and replacement of the water plant generator projects #7451. The loan terms require repayment over 20 years following project completion. The Village will be making semi-annual payments of \$2,525.47 with the final payment due in July 2037.

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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The Village received a loan from the Ohio Water Development Authority (OWDA) for \$1,400,434 at a 2.75 percent interest rate. This loan was used to finance water treatment plant improvements #4717. The Village is making semi-annual payments of \$45,751 with the final payment due in January 2028.

The Village received a loan from the Ohio Water Development Authority (OWDA) for \$55,000 at a 2.59 percent interest rate. This loan is being used to finance the water well #3 rehabilitation repairs #7911. The loan terms require repayment over 5 years following project completion. The Village will be making semi-annual payments of \$5,994.51 with the final payment due in January 2024.

The Village previously issued its General Obligation Various Purpose Refunding Bonds, Series 2018 in the amount of \$746,000 at a 4.35 percent interest rate to finance the cost of acquiring and/or making various public improvements in the Village and financing public infrastructure and other improvements in the Village. The Village issued its Various Purpose Bonds, Series 2020 at a 2.40 percent interest rate to refinance the 2018 Bonds in the amount of \$596,800 and the acquisition of a fire truck in the amount of \$500,000. The Village will be making annual payment of \$109,700 plus any accrued interest due at December 1.

The Village received a loan from the Farmers State Bank in April 2020 for \$160,000 at a rate of 3.875 percent to refinance the loan purchase of a refuse collection truck. A principal reduction payment of \$26,667 was made during 2020. The loan will mature on April 10, 2021.

The Village received a loan from the Farmers State Bank for \$70,260 at a 3.55 percent interest rate. This loan is being used to finance the purchase of a dump truck vehicle. The loan is unsecured for a term of five years. The Village will be making annual payments of \$15,583.88, with the final payment due in October 2025.

The Village received a loan from the Ohio Department of Transportation (ODOT) for \$850,000 at a 3.00 percent interest rate. This loan is being used to finance a street resurfacing project. The loan terms require repayment over 20 years following project completion. The Village will be making semi-annual payments of \$31,651.42 beginning September 2021, with the final payment due in March 2039. The outstanding loan balance increased by \$12,750 during 2020 due to accrued interest.

***Leases***

During 2017 the Village entered into a capital lease for a backhoe loader in the amount of \$93,841. Capital lease final payment was made in 2020.

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

***Amortization***

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

Year Ending December 31:	OPWC CK02C	OPWC CK20D	OPWC CT80P	OWDA #7451	OWDA #4717
2021	\$7,500	\$23,713	\$43,333	\$5,052	\$91,502
2022		23,713	43,333	5,052	91,502
2023		23,713	43,333	5,052	91,502
2024		23,713	43,333	5,052	91,502
2025			43,333	5,052	91,502
2026-2030			216,667	25,259	228,756
2031-2035			216,667	25,259	
2036-2040			216,667	10,103	
2041-2045			216,667		
2046-2050			43,333		
Total	<u>\$7,500</u>	<u>\$94,852</u>	<u>\$1,126,666</u>	<u>\$85,881</u>	<u>\$686,266</u>

Year Ending December 31:	OWDA #7911	LCNB Various Purpose Refunding Bond Series 2018	Farmers State Bank Refuse Collection Vehicle	Farmers State Bank Truck	ODOT SIB Loan
2021	\$11,990	\$136,389	\$166,200	\$15,584	\$31,652
2022	11,990	133,719		15,584	63,303
2023	11,990	130,950		15,584	63,303
2024	5,995	128,434		15,584	63,303
2025		125,714		15,584	63,303
2026-2030		588,455			316,514
2031-2035					316,514
2036-2040					221,560
	<u>\$41,965</u>	<u>\$1,243,661</u>	<u>\$166,200</u>	<u>\$77,920</u>	<u>\$1,139,452</u>

**Note 10 – Related Organizations**

The Brown Memorial Library is a related organization to the Village. The Village Council is responsible for appointing the trustees of the Library Board; however, the Village Council cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden on the Village.

**Note 11 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances

**Village of Lewisburg, Ohio**  
*Preble County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. The Village did not have nonspendable fund balances or outstanding encumbrances at year end.

The fund balance of special revenue funds is restricted. The fund balance of capital projects fund are restricted or committed.

**Note 12 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received CARES Act funding. Of the amounts received, \$3,000 was sub-granted to other governments and organizations, \$0 was returned to the granting agency, and \$38,900 was spent on-behalf of other governments. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.





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

Village of Lewisburg  
Preble County  
112 South Commerce Street  
Lewisburg, Ohio 45338

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Lewisburg, Preble County, (the Village) and have issued our report thereon dated November 14, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

November 14, 2022



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P O Box 697, 112 S Commerce Street, Lewisburg, OH 45338  
Phone: 937-962-4377 Fax 937-962-2900

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**DECEMBER 31, 2021 AND 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	The financial statements included material errors.	Partially Corrected	Reissued as management letter comment.

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF LEWISBURG**

**PREBLE 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 12/6/2022**

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)