

VILLAGE OF PEEBLES
ADAMS COUNTY, OHIO

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Peebles
1 Simmons Ave.
Peebles, OH 45660

We have reviewed the *Independent Auditor's Report* of the Village of Peebles, Adams County, prepared by Bastin & Company, LLC, for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Peebles is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 31, 2022

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VILLAGE OF PEEBLES, OHIO
ADAMS COUNTY

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Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Village of Peebles
Adams County
1 Simmons Avenue
Peebles, Ohio 45660

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 Peebles, Adams County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the 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 and the fiduciary fund type combined total 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, or the changes in financial position or, where applicable, cash flows 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 the 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.

Emphasis of Matters

As discussed in Note 13 to the 2021 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter. As discussed in Note 13 and 14 to the 2020 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village and the Village made several changes to its reporting model. We did not modify our opinion regarding these matters.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 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.

Bastin & Company, L L C

Williamsburg, Ohio
July 28, 2022

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 175,512	\$ 98,614	\$ 274,126
Intergovernmental	50,620	214,086	264,706
Special Assessments	-	-	-
Charges for Services	-	53,266	53,266
Fines, Licenses and Permits	56,359	-	56,359
Earnings on Investments	167	209	376
Miscellaneous	12,339	6,297	18,636
<i>Total Cash Receipts</i>	<u>294,997</u>	<u>372,472</u>	<u>667,469</u>
Cash Disbursements			
Current:			
Security of Persons and Property	130,903	170,367	301,270
Transportation	-	153,938	153,938
General Government	161,756	471,324	633,080
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	16,156	16,156
Interest and Fiscal Charges	-	4,048	4,048
<i>Total Cash Disbursements</i>	<u>292,659</u>	<u>815,833</u>	<u>1,108,492</u>
<i>Net Change in Fund Cash Balances</i>	2,338	(443,361)	(441,023)
<i>Fund Cash Balances, January 1</i>	<u>150,633</u>	<u>737,662</u>	<u>888,295</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 152,971</u>	<u>\$ 294,301</u>	<u>\$ 447,272</u>

See accompanying notes to the basic financial statements

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

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 823,311
Miscellaneous	2,730
	826,041
Operating Cash Disbursements	
Personal Services	251,910
Employee Fringe Benefits	87,875
Contractual Services	398,688
Supplies and Materials	25,851
Other	4,778
	769,102
<i>Total Operating Cash Receipts</i>	<i>826,041</i>
<i>Operating Income (Loss)</i>	<i>56,939</i>
Non-Operating Receipts (Disbursements)	
Principal Retirement	(110,825)
Interest and Other Fiscal Charges	(39,934)
	(150,759)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(150,759)</i>
<i>Income (Loss) before Transfers</i>	<i>(93,820)</i>
Transfers-In	7,000
Transfers-Out	(7,000)
	(93,820)
<i>Net Change in Fund Cash Balances</i>	<i>(93,820)</i>
<i>Fund Cash Balances, January 1</i>	<i>327,631</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 233,811</i>

See accompanying notes to the basic financial statements

Village of Peebles, Ohio
Adams County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2021

	Fiduciary Fund Types
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 53,525
<i>Total Additions</i>	<i>53,525</i>
Deductions	
Other Distributions	53,525
<i>Total Deductions</i>	<i>53,525</i>
<i>Net Change in Fund Balances</i>	-
<i>Fund Cash Balances, January 1</i>	<i>836</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 836</i>

See accompanying notes to the basic financial statements

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types, and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary 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 The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

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

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

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

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

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the financial activity of the Village Mayor's Court.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial 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. 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 carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

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 amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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	\$ 259,604	\$ 294,997	\$ 35,393
Special Revenue	320,929	372,472	51,543
Enterprise	782,800	833,041	50,241
Total	\$ 1,363,333	\$ 1,500,510	\$ 137,177

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 402,880	\$ 292,659	\$ 110,221
Special Revenue	927,514	815,833	111,681
Enterprise	1,052,688	926,861	125,827
Total	\$ 2,383,082	\$ 2,035,353	\$ 347,729

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. A summary of the Village's deposit and investment accounts are as follows:

	2021
Demand deposits	\$ 681,919

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings

Deposits

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

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

Note 6 – Risk Management

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

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

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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.

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:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority #6721	\$ 172,388	2.00%
Ohio Water Development Authority #3922	19,492	2.00%
Ohio Water Development Authority #5084	93,180	1.50%
OPWC Sewer Line Rehab Loan #CO19C	3,750	0.00%
OPWC Sewer Plant Rehab #CT40L	16,575	0.00%
USDA Mortgage Revenue Bonds	317,700	5.00%
First State Bank Real Estate Refunding Bonds	21,750	4.00%
First State Bank Truck Acquisition Bonds #16203	8,184	3.25%
First State Bank Sewer Improvement Bonds #16210	24,934	4.00%
First State Bank Truck Loan #16212	16,603	2.50%
First State Bank Truck Acquisition Bonds #16214	13,729	3.50%
Total	<u>\$ 708,285</u>	

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

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

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

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2021

The Village was awarded Ohio Public Works Commission Loan #CO19C in the amount of \$50,000. Proceeds from the loan were used to finance water collection system improvements. The Village is making semi-annual payments of \$1,250 with the final payment due January 1, 2023.

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

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

During 2019, the Village issued Real Estate Acquisition and Improvement Refunding Bonds in the amount of \$34,880 to refinance the remaining balance and interest on a 2014 Real Estate Acquisition and Improvement Refunding Bond issue. Proceeds from the original bonds issued in 2006 issue were used for the acquisition and improvement of real estate. The Village is making semi-annual payments of \$3,883, including 4% interest, with the final payment due in 2024.

The Village issued Truck Acquisition Bonds (#16203) in the amount of \$27,283 for the purchase of a Dodge truck in 2018. The Village is making semi-annual payments of \$2,728, plus interest at 3.25%, with the final payment due in 2023.

During 2020, the Village issued Sewer System Improvement Bonds (#16210) in the amount of \$40,000 for pump repairs and general improvements to the sewer system. The Village is making annual payments of \$8,985, including 4% interest, with the final payment due in 2024.

The Village financed \$25,000 for the purchase of a Dodge truck through First State Bank in April of 2020. Monthly payments vary according to the repayment schedule, subject to 2.5% interest, with the final payment due in 2025.

During 2020, the Village issued Truck Acquisition Bonds (#16214) in the amount of \$18,000 for the purchase of a truck. The Village is making annual payments of \$4,901, including 3.5% interest, with the final payment due in 2024.

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Year ending December 31:	OWDA Loan #6721	OWDA Loan #3922	OWDA Loan #5084	OPWC Loan #CO19C	OPWC Loan #CT40L	USDA Revenue Bonds
2022	\$ 9,388	\$ 2,812	\$ 5,654	\$ 2,500	\$ 1,950	\$ 62,145
2023	9,388	2,812	5,654	1,250	1,950	62,015
2024	9,388	2,812	5,654	-	1,950	62,080
2025	9,388	2,812	5,654	-	1,950	62,125
2026	9,388	2,812	5,654	-	1,950	62,045
2027-2031	46,938	7,028	28,272	-	6,825	114,920
2032-2036	46,938	-	28,272	-	-	-
2037-2041	46,938	-	22,618	-	-	-
2042-2044	28,162	-	-	-	-	-
Total	<u>\$ 215,916</u>	<u>\$ 21,088</u>	<u>\$ 107,432</u>	<u>\$ 3,750</u>	<u>\$ 16,575</u>	<u>\$ 425,330</u>

Year ending December 31:	Real Estate Refunding Bonds	Truck Acquisition Bonds #16203	Sewer System Improvement Bonds	First State Truck Loan #16212	Truck Acquisition Bonds #16214	Total
2022	\$ 7,766	\$ 5,678	\$ 8,985	\$ 5,324	\$ 4,901	\$ 106,878
2023	7,766	2,773	8,985	5,324	4,901	102,593
2024	7,766	-	8,985	5,324	4,901	98,635
2025	-	-	-	1,332	-	81,929
2026	-	-	-	-	-	81,849
2027-2031	-	-	-	-	-	203,983
2032-2036	-	-	-	-	-	75,210
2037-2041	-	-	-	-	-	69,556
2042-2044	-	-	-	-	-	28,162
Total	<u>\$ 23,298</u>	<u>\$ 8,451</u>	<u>\$ 26,955</u>	<u>\$ 17,304</u>	<u>\$ 14,703</u>	<u>\$ 848,795</u>

Note 10 – Transfers

During 2021, the Village transferred the following amount between funds:

Transfer-Out Fund	Transfer-In Fund	Amount
Sewer	Sewer Reserve	\$ 7,000
Total Transfers		<u>\$ 7,000</u>

The transfers were to provide funds for debt service requirements paid by that fund.

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 11 – Contingent Liabilities

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

Note 12 – Fund Balances

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 facilitate effective cash planning and control.

The fund balances of special revenue funds are either restricted or committed. These restricted or committed amounts in the special revenue funds would include outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. At year end there were no outstanding encumbrances.

Note 13 – 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.

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 150,145	\$ 83,762	\$ 233,907
Intergovernmental	78,564	832,654	911,218
Charges for Services	-	50,620	50,620
Fines, Licenses and Permits	40,299	-	40,299
Earnings on Investments	120	185	305
Miscellaneous	66,942	7,919	74,861
<i>Total Cash Receipts</i>	<u>336,070</u>	<u>975,140</u>	<u>1,311,210</u>
Cash Disbursements			
Current:			
Security of Persons and Property	114,767	153,716	268,483
Transportation	-	55,281	55,281
General Government	171,024	239,883	410,907
Capital Outlay	-	26,334	26,334
Debt Service:			
Principal Retirement	-	9,439	9,439
Interest and Fiscal Charges	-	1,657	1,657
<i>Total Cash Disbursements</i>	<u>285,791</u>	<u>486,310</u>	<u>772,101</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	50,279	488,830	539,109
Other Financing Receipts (Disbursements)			
Sale of Bonds	-	18,000	18,000
Loans Issued	-	8,334	8,334
Advances-In	10,000	10,000	20,000
Advances Out	(10,000)	(10,000)	(20,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>26,334</u>	<u>26,334</u>
<i>Net Change in Fund Cash Balances</i>	50,279	515,164	565,443
<i>Fund Cash Balances, January 1</i>	<u>100,354</u>	<u>222,498</u>	<u>322,852</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 150,633</u>	<u>\$ 737,662</u>	<u>\$ 888,295</u>

See accompanying notes to the basic financial statements

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

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 816,639
Miscellaneous	11,453
	828,092
Operating Cash Disbursements	
Personal Services	223,330
Employee Fringe Benefits	81,278
Contractual Services	376,436
Other	2,896
	683,940
<i>Total Operating Cash Receipts</i>	<i>828,092</i>
<i>Operating Income (Loss)</i>	<i>144,152</i>
Non-Operating Receipts (Disbursements)	
Sale of Bonds	40,000
Loans Issued	16,666
Capital Outlay	(77,781)
Principal Retirement	(70,965)
Interest and Other Fiscal Charges	(29,218)
	(121,298)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(121,298)</i>
<i>Net Change in Fund Cash Balances</i>	<i>22,854</i>
<i>Fund Cash Balances, January 1</i>	<i>304,777</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 327,631</i>

See accompanying notes to the basic financial statements

Village of Peebles, Ohio
Adams County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2020

	Fiduciary Fund Types
	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 28,486
<i>Total Additions</i>	28,486
Deductions	
Other Distributions	28,486
<i>Total Deductions</i>	28,486
<i>Net Change in Fund Balances</i>	-
<i>Fund Cash Balances, January 1</i>	836
<i>Fund Cash Balances, December 31</i>	\$ 836

See accompanying notes to the basic financial statements

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

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

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types, and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary 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 The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

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

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

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

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

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for the financial activity of the Village Mayor's Court.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) for all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial 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. 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 carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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 amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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	\$ 244,604	\$ 346,070	\$ 101,466
Special Revenue	946,515	1,011,474	64,959
Enterprise	796,466	884,758	88,292
Total	\$ 1,987,585	\$ 2,242,302	\$ 254,717

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 344,958	\$ 295,791	\$ 49,167
Special Revenue	1,123,884	496,310	627,574
Enterprise	1,044,355	861,904	182,451
Total	\$ 2,513,197	\$ 1,654,005	\$ 859,192

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. A summary of the Village's deposit and investment accounts are as follows:

	2020
Demand deposits	\$1,216,762

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings

Deposits

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

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

Note 6 – Risk Management

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

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

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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.

Note 9 – Debt

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority #6721	\$ 178,240	2.00%
Ohio Water Development Authority #3922	21,878	2.00%
Ohio Water Development Authority #5084	97,389	1.50%
OPWC Sewer Line Rehab Loan #CO19C	7,500	0.00%
OPWC Sewer Plant Rehab #CT40L	19,500	0.00%
USDA Mortgage Revenue Bonds	393,300	5.00%
First State Bank Real Estate Refunding Bonds	28,445	4.00%
Exmark	3,312	0.00%
First State Bank Truck Acquisition Bonds #16203	13,641	3.25%
First State Bank Sewer Improvement Bonds #16210	32,615	4.00%
First State Bank Truck Loan #16212	21,446	2.50%
First State Bank Truck Acquisition Bonds #16214	18,000	3.50%
Total	<u>\$ 835,266</u>	

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

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

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

The Village was awarded Ohio Public Works Commission Loan #CO19C in the amount of \$50,000. Proceeds from the loan were used to finance water collection system improvements. The Village is making semi-annual payments of \$1,250 with the final payment due January 1, 2023.

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

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

During 2019, the Village issued Real Estate Acquisition and Improvement Refunding Bonds in the amount of \$34,880 to refinance the remaining balance and interest on a 2014 Real Estate Acquisition and Improvement Refunding Bond issue. Proceeds from the original bonds issued in 2006 issue were used for the acquisition and improvement of real estate. The Village is making semi-annual payments of \$3,883, including 4% interest, with the final payment due in 2024.

The Village financed \$8,694 for the purchase of a mower through Exmark. The Village is making monthly payments of \$207 with the final payment due in 2022.

The Village issued Truck Acquisition Bonds (#16203) in the amount of \$27,283 for the purchase of a Dodge truck in 2018. The Village is making semi-annual payments of \$2,728, plus interest at 3.25%, with the final payment due in 2023.

During 2020, the Village issued Sewer System Improvement Bonds (#16210) in the amount of \$40,000 for pump repairs and general improvements to the sewer system. The Village is making annual payments of \$8,985, including 4% interest, with the final payment due in 2024.

The Village financed \$25,000 for the purchase of a Dodge truck through First State Bank in April of 2020. Monthly payments vary according to the repayment schedule, subject to 2.5% interest, with the final payment due in 2025.

During 2020, the Village issued Truck Acquisition Bonds (#16214) in the amount of \$18,000 for the purchase of a truck. The Village will make annual payments of \$4,901, including 3.5% interest, with the first payment due in 2021 and the final payment due in 2024.

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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

Year ending December 31:	OWDA Loan #6721	OWDA Loan #3922	OWDA Loan #5084	OPWC Loan #CO19C	OPWC Loan #CT40L
2021	\$ 9,388	\$ 2,812	\$ 5,654	\$ 2,500	\$ 1,950
2022	9,388	2,812	5,654	2,500	1,950
2023	9,388	2,812	5,654	2,500	1,950
2024	9,388	2,812	5,654	-	1,950
2025	9,388	2,812	5,654	-	1,950
2026-2030	46,938	9,840	28,272	-	9,750
2031-2035	46,938	-	28,272	-	-
2036-2040	46,938	-	28,272	-	-
2041-2044	37,550	-	-	-	-
Total	<u>\$ 225,304</u>	<u>\$ 23,900</u>	<u>\$ 113,086</u>	<u>\$ 7,500</u>	<u>\$ 19,500</u>

Year ending December 31:	USDA Revenue Bonds	Real Estate Refunding Bonds	Exmark	Truck Acquisition Bonds #16203	Sewer System Improvement Bonds
2021	\$ 62,065	\$ 7,766	\$ 2,484	\$ 5,856	\$ 8,985
2022	62,145	7,766	828	5,678	8,985
2023	62,015	7,766	-	2,773	8,985
2024	62,080	7,766	-	-	8,985
2025	62,125	-	-	-	-
2026-2030	176,965	-	-	-	-
2031-2035	-	-	-	-	-
2036-2040	-	-	-	-	-
2041-2044	-	-	-	-	-
Total	<u>\$ 487,395</u>	<u>\$ 31,064</u>	<u>\$ 3,312</u>	<u>\$ 14,307</u>	<u>\$ 35,940</u>

Year ending December 31:	First State Truck Loan #16212	Truck Acquisition Bonds #16214	Total
2021	\$ 5,324	\$ 4,901	\$ 119,685
2022	5,324	4,901	117,931
2023	5,324	4,901	114,068
2024	5,324	4,901	108,860
2025	1,332	-	83,261
2026-2030	-	-	271,765
2031-2035	-	-	75,210
2036-2040	-	-	75,210
2041-2044	-	-	37,550
Total	<u>\$ 22,628</u>	<u>\$ 19,604</u>	<u>\$ 1,003,540</u>

Village of Peebles, Ohio
Adams County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 10 – Advances

During 2020, the Village made the following advances between funds:

Advance-Out Fund	Advance-In Fund	Amount
General	Police Levy	\$ 10,000
Police Levy	General	10,000
Total Advances		\$ 20,000

The advance from the General Fund was to provide funds for operations in the Police Levy Fund. The advance was repaid to the General Fund during 2020, and no outstanding obligations remained at December 31, 2020.

Note 11 – Contingent Liabilities

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

Note 12 – Fund Balances

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 facilitate effective cash planning and control.

The fund balances of special revenue funds are either restricted or committed. These restricted or committed amounts in the special revenue funds would include outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. At year end there were no outstanding encumbrances.

Note 13 – 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 impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 14 – Change in Reporting Model

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types. There was no effect on the beginning fund balance.

Bastin & Company, LLC

Certified Public Accountants

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

Village of Peebles
Adams County
1 Simmons Avenue
Peebles, Ohio 45660

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 and the fiduciary fund type combined total as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of Peebles, Adams County, (the Village) and have issued our report thereon dated July 28, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. In addition, in 2020, the Village made several changes to its reporting model.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-01 that we consider to be a material weakness.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 2021-02.

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

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.

Bastin & Company, LLC

Williamsburg, Ohio
July 28, 2022

Village of Peebles, Ohio
Adams County
Schedule of Findings
December 31, 2021 and 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2021-01 – Audit Adjustments

Material Weakness - Financial Reporting

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

- For 2020 and 2021, various receipts recorded as charges for services or miscellaneous totaling \$114,286 and \$16,169, respectively, were recorded to incorrect accounts. As a result, adjustments were made to properly reclassify these items to proper receipt line items such as proceeds from sale of bonds, loans issued or intergovernmental.
- For 2020, various expenditures recorded totaling \$79,115, were recorded to incorrect accounts. As a result, adjustments were made to properly reclassify these items to proper expenditure line items such as capital outlay expense.
- For 2020 and 2021, debt related transactions totaling \$21 and \$8,146, respectively, were recorded to incorrect accounts. As a result, adjustments were made to reclassify these items to properly record debt payment activity as principal retirement or interest and fiscal charges.
- For 2020, proceeds from loans issued and the related capital outlay expenses totaling \$25,000 were not recorded. As a result, adjustments were made to properly record these receipts and related expenditures that were made on behalf of the Village by the lending institution.
- The receipt and expenditure activities of the Mayor's Court were not included in the Villages financial statements for the Mayor's Court Agency Custodial Fund for 2020 and 2021. As a result, adjustments were made to properly record activity for both years.

In addition, for 2020 and 2021 the Village's accounting system was not updated and did not properly reflect amounts appropriated by Council or estimated resource amounts as approved by the County Budget Commission.

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

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

Village's Response

These adjustments were largely reclassifications between reporting line items and had no effect on fund balances. The Village will attempt to ensure that future transactions are recorded in the correct.

FINDING NUMBER 2021-02 – Certification of Fund Availability

Noncompliance

Ohio Revised Code § 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.
2. Blanket Certificate - Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate - The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During fiscal years 2021 and 2020, 15 percent of purchase orders tested were not properly certified prior to incurring the obligation or were not approved by ordinance or resolution when a then and now certificate for purchases of \$3,000 or more was made.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used and Council must approve then and now certificates for purchases of \$3,000 or more.

Village's Response

The Village will attempt to ensure certifications are properly performed in the future.

Village of Peebles, Ohio
Adams County
Summary Schedule of Prior Audit Findings
December 31, 2021 and 2020

Finding Number	Finding Summary	Status	Additional Information
2019-01	Audit Adjustments	Not corrected	Current year conditions included as finding number 2021-01

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF PEBBLES

ADAMS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/13/2022

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