

VILLAGE OF SABINA  
CLINTON COUNTY, OHIO  
*BASIC FINANCIAL STATEMENTS*  
*(AUDITED)*

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**



**LINDHOLM**  
**& COMPANY**

**752 High Street**  
**Worthington, Ohio 43085**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Sabina  
99 North Howard Street  
Sabina, Ohio 45169

We have reviewed the *Independent Auditor's Report* of the Village of Sabina, Clinton County, prepared by Lindholm + Company, for the audit period January 1, 2019 through December 31, 2020. 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 Sabina is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

March 10, 2022

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CLINTON COUNTY  
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## INDEPENDENT AUDITOR'S REPORT

Village of Sabina  
Clinton County  
99 N. Howard Street  
Sabina, Ohio 45169

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying 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 year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Sabina, Clinton County, Ohio (the Village).

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2021 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

LINDHOLM + COMPANY

Worthington, Ohio

August 25, 2021



**Village of Sabina, Ohio**  
*Clinton 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)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$59,551	\$19,231	\$78,782
Municipal Income Tax	584,083	-	584,083
Intergovernmental	75,553	159,326	234,879
Special Assessments	657	-	657
Charges for Services	13,579	-	13,579
Fines, Licenses and Permits	14,792	1,256	16,048
Earnings on Investments	3,936	314	4,250
Miscellaneous	181,973	1,012	182,985
<i>Total Cash Receipts</i>	<u>934,124</u>	<u>181,139</u>	<u>1,115,263</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	382,557	36,762	419,319
Public Health Services	500	29,155	29,655
Leisure Time Activities	4,840	-	4,840
Community Environment	2,210	-	2,210
Transportation	11,075	221,181	232,256
General Government	220,494	185,979	406,473
Capital Outlay	-	9,537	9,537
<i>Total Cash Disbursements</i>	<u>621,676</u>	<u>482,614</u>	<u>1,104,290</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>312,448</u>	<u>(301,475)</u>	<u>10,973</u>
Transfers In	-	8,576	8,576
Transfers Out	(95,362)	-	(95,362)
Other Financing Uses	(5,285)	-	(5,285)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(100,647)</u>	<u>8,576</u>	<u>(92,071)</u>
Extraordinary Item	-	229,380	229,380
<i>Net Change in Fund Cash Balances</i>	211,801	(63,519)	148,282
<i>Fund Cash Balances, January 1</i>	<u>377,226</u>	<u>518,637</u>	<u>895,863</u>
<i>Fund Cash Balances, December 31</i>	<u>\$589,027</u>	<u>\$455,118</u>	<u>\$1,044,145</u>

*See accompanying notes to the basic financial statements*

**Village of Sabina, Ohio***Clinton 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*

	<u>Proprietary Fund Types</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>(Memorandum Only)</u>
<b>Operating Cash Receipts</b>		
Charges for Services	\$1,077,740	\$1,077,740
Miscellaneous	22,967	22,967
<i>Total Operating Cash Receipts</i>	<u>1,100,707</u>	<u>1,100,707</u>
<b>Operating Cash Disbursements</b>		
Personal Services	202,930	202,930
Employee Fringe Benefits	138,474	138,474
Contractual Services	299,012	299,012
Supplies and Materials	45,822	45,822
Other	4,169	4,169
<i>Total Operating Cash Disbursements</i>	<u>690,407</u>	<u>690,407</u>
<i>Operating Income (Loss)</i>	<u>410,300</u>	<u>410,300</u>
<b>Non-Operating Receipts (Disbursements)</b>		
Special Assessments	4,184	4,184
Miscellaneous Receipts	4,047	4,047
Capital Outlay	(59,716)	(59,716)
Principal Retirement	(158,948)	(158,948)
Interest and Other Fiscal Charges	(26,054)	(26,054)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(236,487)</u>	<u>(236,487)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	173,813	173,813
Transfers In	86,619	86,619
Transfers Out	(155)	(155)
<i>Net Change in Fund Cash Balances</i>	260,277	260,277
<i>Fund Cash Balances, January 1</i>	<u>2,093,272</u>	<u>2,093,272</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,353,549</u></u>	<u><u>\$2,353,549</u></u>

*See accompanying notes to the basic financial statements*

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

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**Note 1 - Reporting Entity**

The Village of Sabina (the Village), Clinton 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, sewer and sanitation utilities, park and swimming pool operations, and police services.

The Village of Sabina is not in Fiscal Distress at this time. However, startup cash for the General Fund was extremely low. To remedy this hard-ship the Village petitioned the Clinton County Courts to authorize The use of Sewer Sanitation emergency funds to be transferred to the General Fund in the amount of \$200,000. This was done with the approval of the State Treasurer. To ensure adequate funds in the future a .5% Income Tax increase was passed in 2017 and began collections in July.

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

The Village participates in one jointly governed organization. The jointly governed organization is the SRWW #2 Joint Fire District. It is a jointly governed organization, which provides fire protection and rescue services to the Village of Sabina, Richland Township, Wayne Township, and Wilson Township. Each of the four political subdivisions appoints one member of the four-member board of trustees. This Board owns and operates assets in its own name. The Board has authority to levy taxes and approve its own budget. Funding for operations comes from the participants in the District, charge for services and a tax levy.

**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 the proprietary fund type which are organized on a fund type basis.

**Fund Accounting**

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

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

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

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

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

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

**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.

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

**Sanitation Fund** The utility service fund accounts for rubbish and debris removal weekly. A utility monthly service charge for residents who chose to opt in to service is recorded in this fund.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village had no Fiduciary Funds private purpose trust funds. The Village does have Custodial Funds of Unclaimed Monies from Water Deposit collections unclaimed for five years.

***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 disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object legal 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 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 re-appropriated.

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

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

A summary of 2020 budgetary activity appears in Note 3.

**Deposits and Investments**

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

Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Capital Assets**

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

**Accumulated Leave**

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

**Fund Balance**

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

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

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

**Committed** Council can commit amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless Council amends the ordinance or 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.

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

**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	\$737,793	\$934,127	\$196,334	
Special Revenue	405,037	419,094	14,057	
Enterprise	1,142,018	1,195,557	53,539	
Internal Service	211	322	111	
<b>Total</b>	<b>\$2,285,059</b>	<b>\$2,549,100</b>	<b>\$264,041</b>	
2020 Budgeted vs. Actual Budgetary Basis Expenditures				
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance	
General	\$951,737	\$726,502	\$225,235	
Special Revenue	556,946	487,746	69,200	
Enterprise	1,357,288	1,077,863	279,425	
<b>Total</b>	<b>\$2,865,971</b>	<b>\$2,292,111</b>	<b>\$573,860</b>	

**Note 4 - Deposits and Investments**

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

		2020			
	Demand deposits	\$3,398,016			
	<b>Total deposits</b>	<b>\$3,398,016</b>			

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

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

**Deposits**

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

**Investments**

The Village has no Investments at this time.

**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 1.5 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 through The Regional Income Tax Agency either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 7 - Interfund Balances**

Outstanding advances at December 31, 2020, consisted of \$5,000 advanced to Police Disability Fund to provide working capital for retirement liability.

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

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**Note 8 - Risk Management**

The Government is exposed to various risks of property and casualty losses, and injuries to employees.

***Workers' Compensation***

The Village participated in a group rating program with the Ohio Association of Public Treasurers with other Villages. 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.

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

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

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

	<u>2020</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$ 12,965,015

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

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

During 2020, the Village paid \$0 for losses that exceeded insurance coverage.

**Note 9 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Other 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.



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

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**Note 9 - Defined Benefit Pension Plans (Continued)**

***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.

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 firefighters' wages. The Village has paid all contributions required through December 31, 2020.

**Social Security**

The part time Fire/EMS employees of the Village participate in the Social Security system. 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 10 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit post employment 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 healthcare 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 11 - Debt**

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

Ohio Public Works Commission	\$224,164	0%
Ohio Public Works Commission	\$121,655	0%
Ohio Water Development Authority Loan	\$1,674,319	1%
Ohio Water Development Authority Loan	<u>\$275,105</u>	3%
Total	<u>\$2,295,243</u>	

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

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**Note 11 - Debt (Continued)**

The Ohio Water Development Authority (OWDA) loan #6240 relates to a sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$2,489,879 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$68,833.99, including interest, over 20 years. The scheduled payment amount below states that \$2,489,879 borrowed and fully disbursed 01/01/2014. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

A second OWDA loan #6491 relates to Waterline replacement on N. Howard Street in the amount of 327,818 for this project fully disbursed 01/01/2014. The Village will pay semiannual installments of \$8,313.72, including interest, over 30 years. The loan is secured by Water Service receipts.

The Ohio Public Works Commission loan #CJ02N Park & Rose Relief Sewer in the amount of \$187,161 consists of semiannual installments of \$4,679.03, interest free for 20 years. The project was Wastewater Treatment Improvements disbursement completed in 2010.

A second loan from OPWC #CT46M Sewer System Overflow Elimination Improvement in the amount of \$426,979, with 0% interest for 20 years. The semiannual installments of \$10,674.48 are collateralized by Sewer Service receipts.

***Amortization***

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

Year Ending December 31:	OPWC Loan #CJ02N	OPWC Loan #CT46M	OWDA Loan #6240	OWDA Loan #6491	Total
2021	\$9,358	\$21,349	\$137,668	\$16,628	\$185,003
2022	9,358	21,349	137,668	16,628	185,003
2023	9,358	21,349	137,668	16,628	185,003
2024	9,358	21,349	137,668	16,628	185,003
2025	9,358	21,349	137,668	16,628	185,003
2026-2030	46,790	106,745	688,340	83,140	925,015
2031-2035	28,075	10,675	413,004	83,140	534,894
2036-2040	-	-	-	83,140	83,140
2041-2045	-	-	-	49,884	49,884
Total	\$121,655	\$224,165	\$1,789,684	\$382,444	\$2,517,948

**Note 12 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$60,978	\$19,523	-	\$80,501
Municipal Income Tax	567,897	-	-	567,897
Intergovernmental	66,135	138,793	14,014	218,942
Special Assessments	1,951	-	-	1,951
Charges for Services	13,453	-	-	13,453
Fines, Licenses and Permits	14,495	214	-	14,709
Earnings on Investments	11,593	710	-	12,303
Miscellaneous	11,034	1,537	-	12,571
<i>Total Cash Receipts</i>	<u>747,536</u>	<u>160,777</u>	<u>14,014</u>	<u>922,327</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	370,707	38,919	-	409,626
Public Health Services	572	-	-	572
Leisure Time Activities	577	-	-	577
Community Environment	8,539	-	-	8,539
Transportation	8,157	64,024	-	72,181
General Government	200,153	832	-	200,985
Capital Outlay	-	5,548	-	5,548
<i>Total Cash Disbursements</i>	<u>588,705</u>	<u>109,323</u>	<u>-</u>	<u>698,028</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>158,831</u>	<u>51,454</u>	<u>14,014</u>	<u>224,299</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	35,000	-	35,000
Transfers Out	(35,100)	-	-	(35,100)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(35,100)</u>	<u>35,000</u>	<u>-</u>	<u>(100)</u>
Special Item	774	-	-	774
<i>Net Change in Fund Cash Balances</i>	124,505	86,454	14,014	224,973
<i>Fund Cash Balances, January 1</i>	<u>252,721</u>	<u>432,183</u>	<u>(14,014)</u>	<u>670,890</u>
Nonspendable	255	-	-	255
Restricted	-	465,982	-	465,982
Committed	170,145	51,500	-	221,645
Assigned	12,192	1,155	-	13,347
Unassigned	194,634	-	-	194,634
<i>Fund Cash Balances, December 31</i>	<u>\$377,226</u>	<u>\$518,637</u>	<u>\$0</u>	<u>\$895,863</u>

*See accompanying notes to the basic financial statements*

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

	<u>Proprietary Fund Types</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>(Memorandum Only)</u>
<b>Operating Cash Receipts</b>		
Charges for Services	\$1,074,545	\$1,074,545
Miscellaneous	819	819
<i>Total Operating Cash Receipts</i>	<u>1,075,364</u>	<u>1,075,364</u>
<b>Operating Cash Disbursements</b>		
Personal Services	207,247	207,247
Employee Fringe Benefits	121,538	121,538
Contractual Services	271,526	271,526
Supplies and Materials	62,206	62,206
Other	6,974	6,974
<i>Total Operating Cash Disbursements</i>	<u>669,491</u>	<u>669,491</u>
<i>Operating Income (Loss)</i>	<u>405,873</u>	<u>405,873</u>
<b>Non-Operating Receipts (Disbursements)</b>		
Special Assessments	5,045	5,045
Miscellaneous Receipts	3,881	3,881
Capital Outlay	(75,338)	(75,338)
Principal Retirement	(157,517)	(157,517)
Interest and Other Fiscal Charges	(27,486)	(27,486)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(251,415)</u>	<u>(251,415)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	154,458	154,458
Transfers In	100	100
<i>Net Change in Fund Cash Balances</i>	154,558	154,558
<i>Fund Cash Balances, January 1</i>	<u>1,938,559</u>	<u>1,938,559</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,093,117</u></u>	<u><u>\$2,093,117</u></u>

*See accompanying notes to the basic financial statements*

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

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**Note 13 – 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 facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
Nonspendable						
Unclaimed Monies	322					322
Outstanding Encumbrances	4,176	5,133	-	-	142,584	151,893
	<b>\$4,498</b>	<b>\$5,133</b>	-	-	<b>\$142,584</b>	<b>\$152,214</b>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 14 – 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. 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 \$229,403. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$60,978	\$19,523	-	\$80,501
Municipal Income Tax	567,897	-	-	567,897
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Earnings on Investments	11,593	710	-	12,303
Miscellaneous	11,034	1,537	-	12,571
<i>Total Cash Receipts</i>	<u>747,536</u>	<u>160,777</u>	<u>14,014</u>	<u>922,327</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	370,707	38,919	-	409,626
Public Health Services	572	-	-	572
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<i>Total Cash Disbursements</i>	<u>588,705</u>	<u>109,323</u>	<u>-</u>	<u>698,028</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>158,831</u>	<u>51,454</u>	<u>14,014</u>	<u>224,299</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	35,000	-	35,000
Transfers Out	(35,100)	-	-	(35,100)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(35,100)</u>	<u>35,000</u>	<u>-</u>	<u>(100)</u>
Special Item	774	-	-	774
<i>Net Change in Fund Cash Balances</i>	124,505	86,454	14,014	224,973
<i>Fund Cash Balances, January 1</i>	<u>252,721</u>	<u>432,183</u>	<u>(14,014)</u>	<u>670,890</u>
Nonspendable	255	-	-	255
Restricted	-	465,982	-	465,982
Committed	170,145	51,500	-	221,645
Assigned	12,192	1,155	-	13,347
Unassigned	194,634	-	-	194,634
<i>Fund Cash Balances, December 31</i>	<u>\$377,226</u>	<u>\$518,637</u>	<u>\$0</u>	<u>\$895,863</u>

*See accompanying notes to the basic financial statements*

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

	<u>Proprietary Fund Types</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>(Memorandum Only)</u>
<b>Operating Cash Receipts</b>		
Charges for Services	\$1,074,545	\$1,074,545
Miscellaneous	819	819
<i>Total Operating Cash Receipts</i>	<u>1,075,364</u>	<u>1,075,364</u>
<b>Operating Cash Disbursements</b>		
Personal Services	207,247	207,247
Employee Fringe Benefits	121,538	121,538
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<i>Total Operating Cash Disbursements</i>	<u>669,491</u>	<u>669,491</u>
<i>Operating Income (Loss)</i>	<u>405,873</u>	<u>405,873</u>
<b>Non-Operating Receipts (Disbursements)</b>		
Special Assessments	5,045	5,045
Miscellaneous Receipts	3,881	3,881
Capital Outlay	(75,338)	(75,338)
Principal Retirement	(157,517)	(157,517)
Interest and Other Fiscal Charges	(27,486)	(27,486)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(251,415)</u>	<u>(251,415)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	154,458	154,458
Transfers In	<u>100</u>	<u>100</u>
<i>Net Change in Fund Cash Balances</i>	154,558	154,558
<i>Fund Cash Balances, January 1</i>	<u>1,938,559</u>	<u>1,938,559</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,093,117</u></u>	<u><u>\$2,093,117</u></u>

*See accompanying notes to the basic financial statements*

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

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**Note 1 - Reporting Entity**

The Village of Sabina (the Village), Clinton 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, sewer and sanitation utilities, park and swimming pool operations, and police services.

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

The Village participates in one jointly governed organization. The jointly governed organization is the SRWW #2 Joint Fire District. It is a jointly governed organization, which provides fire protection and rescue services to the Village of Sabina, Richland Township, Wayne Township, and Wilson Township. Each of the four political subdivisions appoints one member of the four-member board of trustees. This Board owns and operates assets in its own name. The Board has authority to levy taxes and approve its own budget. Funding for operations comes from the participants in the District, charge for services and a tax levy.

**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 the proprietary fund type which are organized on a fund type basis.

**Fund Accounting**

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

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

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

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

**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 Sabina, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

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

**Sanitation Fund** The utility service fund accounts for rubbish and debris removal weekly. A utility monthly service charge for residents who chose to opt in to service is recorded in this fund.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village had no Fiduciary Funds private purpose trust funds. The Village does have Custodial Funds of Unclaimed Monies from Water Deposit collections unclaimed for five years.

***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 disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object legal 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 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 re-appropriated.

A summary of 2020 budgetary activity appears in Note 3.

**Deposits and Investments**

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

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

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

Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Capital Assets**

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

**Accumulated Leave**

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

**Fund Balance**

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

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

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

**Committed** Council can commit amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless Council amends the ordinance or 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 Sabina, Ohio**  
*Clinton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 3 - Budgetary Activity**

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

2019 Budgeted vs. Actual Receipts				
	Fund Type	Budgeted Receipts	Actual Receipts	Variance
	General	\$750,937	\$748,308	(\$2,629)
	Special Revenue	\$190,542	195,778	5,236
	Capital Projects	14,014	14,014	-
	Enterprise	1,102,832	1,084,394	(18,441)
	<b>Total</b>	<b>\$2,058,345</b>	<b>\$2,042,491</b>	<b>(\$15,834)</b>
2019 Budgeted vs. Actual Budgetary Basis Expenditures				
	Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
	General	\$758,755	\$626,883	\$131,872
	Special Revenue	203,911	109,379	94,532
	Capital Projects	14,014	14,014	-
	Enterprise	1,099,230	939,614	159,616
	<b>Total</b>	<b>\$2,075,910</b>	<b>\$1,689,890</b>	<b>\$400,034</b>

**Note 4 - Deposits and Investments**

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

	2019			
Demand deposits	\$3,188,979			
<b>Total deposits</b>	<b>\$3,188,979</b>			

**Deposits**

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

**Investments**

The Village has no Investments at this time.

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

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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 1.5 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 through The Regional Income Tax Agency either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 6 - Risk Management**

The Government is exposed to various risks of property and casualty losses, and injuries to employees.

***Workers' Compensation***

The Village participated in a group rating program with the Ohio Association of Public Treasurers with other Villages. 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.

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

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

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

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

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

	<u>2018</u>
Cash and investments	\$ 49,921,998
Actuarial liabilities	\$ 14,676,199

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

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

During 2019, the Village paid \$0 for losses that exceeded insurance coverage.

**Note 9 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Other Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

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

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.

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 firefighters' wages. The Village has paid all contributions required through December 31, 2019.

**Social Security**

The part time Fire/EMS employees of the Village participate in the Social Security system. Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

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

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**Note 10 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit post employment 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 healthcare 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 11 - Debt**

Debt outstanding at December 31, 2019, was as follows:

General Obligation Note	\$376,526	0%
Ohio Water Development Authority Loan	\$1,794,343	1%
Ohio Water Development Authority Loan	<u>\$283,323</u>	3%
Total	<u>\$2,454,192</u>	

The Ohio Water Development Authority (OWDA) loan #6240 relates to a sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$2,489,879 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$68,833.99, including interest, over 20 years. The scheduled payment amount below states that \$2,489,879 borrowed and fully disbursed 01/01/2014. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

A second OWDA loan #6491 relates to Waterline replacement on N. Howard Street in the amount of 327,818 for this project fully disbursed 01/01/2014. The Village will pay semiannual installments of \$8,313.72, including interest, over 30 years. The loan is secured by Water Service receipts.

The Ohio Public Works Commission loan #CJ02N Park & Rose Relief Sewer in the amount of \$187,161 consists of semiannual installments of \$4,679.03, interest free for 20 years. The project was Wastewater Treatment Improvements disbursement completed in 2010.

A second loan from OPWC #CT46M Sewer System Overflow Elimination Improvement in the amount of \$426,979, with 0% interest for 20 years. The semiannual installments of \$10,674.48 are collateralized by Sewer Service receipts.

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

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**Note 11 - Debt (Continued)**

*Amortization*

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

Year Ending December 31:	OWDA Loans	General Obligation Notes	Total
2020	\$154,295	\$30,707	\$185,002
2021	154,295	30,707	185,002
2022	154,295	30,707	185,002
2023	154,295	30,707	185,002
2024	154,295	30,707	185,002
2025-2029	771,475	153,535	925,010
2030-2034	633,809	69,456	703,265
2035-2039	83,137	-	83,137
2040-2043	66,510	-	66,510
Total	<u>\$2,326,406</u>	<u>\$376,526</u>	<u>\$2,702,932</u>

**Note 12 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.



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

Village of Sabina  
Clinton County  
99 N. Howard Street  
Sabina, Ohio 45169

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ Government Auditing Standards, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund types of the Village of Sabina, Clinton County, Ohio (the Village) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated June 25, 2021 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of reasonably assuring whether the Village’s financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.



Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Required by Government Auditing  
Standards  
Page Two

***Purpose of this Report***

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

LINDHOLM + COMPANY

Worthington, Ohio  
August 25, 2021

**VILLAGE OF SABINA  
CLINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2020 AND 2019**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2018-001	Provides that money paid into a fund shall be used only for the purpose for which such a fund is established.	Yes	Corrected
2018-002	Fund Balance Reporting and Governmental Fund Type Definitions, introduces five fund balance classifications and clarifies the existing governmental fund type definitions	Yes	Corrected

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF SABINA**

**CLINTON 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 3/22/2022**

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)