



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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VILLAGE OF ASHVILLE  
PICKAWAY COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2018 and 2017  
Fiscal Years Audited Under GAGAS: 2018 and 2017

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OHIO AUDITOR OF STATE  
KEITH FABER



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Members of Council  
Village of Ashville  
200 Station Street  
Ashville, Ohio 43103

We have reviewed the *Independent Auditor's Report* of the Village of Ashville, Pickaway County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2017 through December 31, 2018. 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 Ashville 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 29, 2019

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**VILLAGE OF ASHVILLE**  
**PICKAWAY COUNTY**  
*Basic Financial Statements*  
For the Fiscal Years Ended December 31, 2018 and 2017  
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**INDEPENDENT AUDITOR'S REPORT**

Village of Ashville  
Pickaway County  
200 Station Street  
Ashville, Ohio 43103

To the Village Council:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Ashville, Pickaway County, Ohio (the Village) as of and for the years ended December 31, 2018 and 2017.

***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, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Ashville, Pickaway County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019, 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.



BHM CPA Group, Inc.  
Piketon, Ohio  
June 14, 2019



**VILLAGE OF ASHVILLE  
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Taxes	\$ 146,210	\$ -	\$ 146,210
Municipal Income Tax	1,269,176	-	1,269,176
Intergovernmental	65,635	222,851	288,486
Special Assessments	-	233	233
Charges for Services	375,299	-	375,299
Fines, Licenses, and Permits	120,973	29,092	150,065
Earnings on Investments	6,169	278	6,447
Miscellaneous	23,888	26,016	49,904
	<u>2,007,350</u>	<u>278,470</u>	<u>2,285,820</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	807,282	5,597	812,879
Public Health Services	6,496	-	6,496
Leisure Time Activities	47,167	3,050	50,217
Community Environment	41,008	-	41,008
Basic Utility Services	345,298	-	345,298
Transportation	140,085	261,920	402,005
General Government	522,174	1,510	523,684
Capital Outlay	12,755	35,229	47,984
Debt Service:			
Redemption of Principal	4,587	18,525	23,112
Interest and Fiscal Charges	2,795	488	3,283
	<u>1,929,647</u>	<u>326,319</u>	<u>2,255,966</u>
Total Cash Disbursements			
Excess of Receipts Over/(Under) Disbursements	77,703	(47,849)	29,854
<b>Other Financing Receipts (Disbursements):</b>			
Other Sources	7,825	-	7,825
Proceeds of Loan	12,755	35,229	47,984
	<u>20,580</u>	<u>-</u>	<u>7,825</u>
Total Other Financing Receipts (Disbursements)			
Net Change in Fund Cash Balances	98,283	(47,849)	37,679
Fund Cash Balances, January 1	495,709	165,611	661,320
	<u>495,709</u>	<u>165,611</u>	<u>661,320</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	146,541	146,541
Committed	-	6,450	6,450
Unassigned	593,992	-	593,992
	<u>593,992</u>	<u>-</u>	<u>593,992</u>
Fund Cash Balances, December 31	<u>\$ 593,992</u>	<u>\$ 152,991</u>	<u>\$ 746,983</u>

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

VILLAGE OF ASHVILLE  
PICKAWAY COUNTY

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

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>Enterprise</u>		<u>Agency</u>		
<b>Operating Cash Receipts:</b>					
Charges for Services	\$ 1,495,913		\$ -		\$ 1,495,913
Fines, Licenses & Permits	2,660		12,140		14,800
<b>Total Operating Cash Receipts</b>	<b>1,498,573</b>		<b>12,140</b>		<b>1,510,713</b>
<b>Operating Cash Disbursements</b>					
Personal services	218,615		-		218,615
Fringe benefits	143,993		-		143,993
Contractual services	382,582		43,440		426,022
Supplies and Materials	164,599		-		164,599
Other	18,007		-		18,007
<b>Total Operating Cash Disbursements</b>	<b>927,796</b>		<b>43,440</b>		<b>971,236</b>
<i>Operating Income (Loss)</i>	570,777		(31,300)		539,477
<b>Non-Operating Receipts (Disbursements)</b>					
Miscellaneous Receipts	27,837		-		27,837
Other Debt Proceeds	984,299		-		984,299
Capital Outlay	(827,447)		-		(827,447)
Principal	(512,250)		-		(512,250)
Interest	(44,548)		-		(44,548)
Other Non-operating Receipts	-		28,507		28,507
Other Non-operating Disbursements	-		(20,287)		(20,287)
<b>Total Non-Operating Receipts (Disbursements)</b>	<b>(372,109)</b>		<b>8,220</b>		<b>(363,889)</b>
<i>Income (Loss) Before Transfers and Advances</i>	198,668		(23,080)		175,588
<i>Net Change in Fund Cash Balances</i>	198,668		(23,080)		175,588
Fund Cash Balances, January 1	1,583,243		42,823		1,626,066
<b>Fund Cash Balances, December 31</b>	<b>\$ 1,781,911</b>		<b>\$ 19,743</b>		<b>\$ 1,801,654</b>

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

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2018

**Note 1 - Description of the Entity**

The Village of Ashville, Pickaway County, Ohio, (the Village) 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. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities, waste removal services, park operations (leisure time activities), and police services. The Village contracts with Harrison Township for fire protection services.

The Village participates in three jointly governed organizations, and the Ohio Plan Risk Management, Inc. (OPRM). Notes 9 and 10 to the financial statements provide additional information for these entities. These organizations are:

North Gate Alliance Cooperative Economic Development Agreement (CEDA) – the Village Council approved an agreement with the Pickaway County Board of Commissioners, Harrison Township, and the Village of South Bloomfield to cooperate in creating and preserving jobs and employment opportunities, and to cooperate in including and fostering economic development. See Note 10 for further information.

Northern Pickaway County Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Harrison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 10 for further information.

Madison Township Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Madison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 10 for further information.

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

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

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

***Accounting Basis***

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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).

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2018

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.

***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.

***Fund Accounting***

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

- **General Fund** - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.
- **Special Revenue Funds** - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund – This fund receipts gasoline tax and motor vehicle tax money to construct, maintain and repair Village streets.

Permissive Motor Vehicle License Tax Fund – This fund receipts permissive motor vehicle tax money to maintain and repair roads that run through the Village.

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

Water Fund – This fund receives charges for services from residents to cover the cost of providing water services.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing sewer services.

Storm Water Fund - This fund receives charges for services from residents to cover the cost of providing sewer services.

- **Fiduciary Funds (Agency Funds)** - Fiduciary funds include an agency fund, which is purely custodial in nature and used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for Mayor's Court activity and to hold and disburse monies related to development within the Village.

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2018

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

- **Appropriations**

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

- **Estimated Resources**

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

- **Encumbrances**

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

***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.

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2018

- **Assigned**

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

- **Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance. The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

- **Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

- **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.

**Note 3 - Equity in Pooled Deposits and Investments**

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

Demand deposits	<u>\$2,548,637</u>
<b>Total deposits:</b>	<b>\$2,548,637</b>

**Deposits:** The Village's deposits are insured by the Federal Deposit Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Village.

Village of Ashville, Ohio  
 Pickaway County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2018

**Note 4 - Budgetary Activity**

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

***Budgeted vs. Actual Receipts***

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,687,666	\$ 2,015,175	\$ 327,509
Special Revenue	224,176	278,470	54,294
Enterprise	<u>1,515,919</u>	<u>1,627,418</u>	<u>111,499</u>
<b>Total</b>	<b>\$ 3,427,761</b>	<b>\$ 3,921,063</b>	<b>\$ 493,302</b>

***Budgeted vs. Actual Budgetary Basis Expenditures***

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$ 2,182,605	\$ 1,916,892	\$ 265,713
Special Revenue	360,600	291,090	69,510
Enterprise	<u>2,701,627</u>	<u>1,428,750</u>	<u>1,272,877</u>
<b>Total</b>	<b>\$ 5,244,832</b>	<b>\$ 3,636,732</b>	<b>\$ 1,608,100</b>

**Note 5 - Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**Note 6 - Local Income Tax**

The Village levies a municipal income tax of 1 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. Income tax collections are processed by the Regional Income Tax Agency (RITA). RITA collects the income tax on-behalf of the Village and remits it to the Village. The tax payments received from RITA are recorded in the accompanying financial statements as municipal income tax receipts. Employers within the Village and employers of Village residents withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Village of Ashville, Ohio  
 Pickaway County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2018

**Note 7 - DEBT**

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan #7256	\$13,001,897	0.48%
OWDA Loan #7546 (Part A)	1,061,593	1.14%
OWDA Loan #7546 (Part B)	42,929	1.71%
Ohio Public Works Loan #CT82P	92,695	0.00%
Ohio Public Works Loan #CT73N	214,441	0.00%
Ohio Public Works Loan #CQ39T	491,553	0.00%
The Savings Bank – Sewage System	255,579	3.75%
The Savings Bank – Service Dept. Trucks	52,032	3.25%
The Savings Bank – Police Explorer	29,578	3.00%
Gordon Flesch	<u>8,168</u>	11.375%
<b>Total</b>	<b>\$15,250,465</b>	

- ❖ In 2018 the village began repayment of the Ohio Water Development Authority (OWDA) loans for the construction of the wastewater facility. The repayment schedules are as follows:

<u>Loan #</u>	<u>Originating Loan Amount</u>	<u>Semi-Annual Payment</u>
7256	\$13,871,723	\$249,613 through 2048
7546 (Part A & B)	\$1,116,761	\$22,201.55 through 2048

\*Amortization schedules are not available yet.

- ❖ In 2018 the village began repayment of Ohio Public Works loan #CQ39T for the construction of the wastewater facility. The originating loan amount was \$499,885, accrues interest at 0.0%, and is payable in semi-annual installments of \$8,331 through 2048.
- ❖ The village issued FmHA Mortgage Revenue Bonds in 1989 for the construction of a sewage system. During 2011 the Village obtained a bank loan at a lower interest rate and used the proceeds to retire the outstanding FmHA mortgage revenue bonds. The new loan, with an original amount of \$424,764, accrues interest at 3.75%, and is payable in semi-annual payments of \$18,639 through 2026.
- ❖ In 2016 the village began repayment of Ohio Public Works loan #CT82P for the Griggs Street Railroad Crossing Relocation. The originating loan amount was \$105,937, accrues interest at 0.0% interest, and is payable in semi-annual installments of \$2,648 through 2036.
- ❖ In 2018 the village began repayment of Ohio Public Works loan #CT73N for the SR 752 & Long Street Intersection Improvements. The originating loan amount was \$225,727, accrues interest at 0.0% interest, and is payable in semi-annual installments of \$5,643 through 2037.



Village of Ashville, Ohio  
 Pickaway County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2018

- ❖ In 2018 the village obtained a bank loan for the purchase of a cruiser for \$35,229. The loan accrues interest at 3% and is payable in semi-annual installments of \$6184, including interest, through 2021.
- ❖ In 2018 the village obtained a bank loan for the purchase of a two service trucks for \$52,032. The loan accrues interest at 3.25% and is payable in semi-annual installments of \$5,680, including interest, through 2023.
- ❖ In 2018 the village entered a lease agreement for the purchase of a copier for \$12,755. The lease accrues interest at 11.375% and is payable in monthly installments of \$213, including interest, through 2022.

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

	Copier Lease
Year Ending December 31:	
2019	\$2,556
2020	2,556
2021	2,556
2022	611
<b>Total</b>	<b>\$8,279</b>

	Bank Loan Sewage	Bank Loan Service Trucks	Bank Loan 2018 Police Explorer
Year Ending December 31:			
2019	37,279	11,360	6,184
2020	37,279	11,360	6,184
2021	37,279	11,360	6,184
2022	37,279	11,360	6,184
2023	37,279	1,760	4,842
2024-2026	<u>68,528</u>	<u>0</u>	<u>0</u>
<b>Totals</b>	<b>\$254,923</b>	<b>\$47,200</b>	<b>\$29,578</b>

Village of Ashville, Ohio  
 Pickaway County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2018

Year ending December 31: OPWC Loans

	OPWC #CT82P	OPWC #CT73N	OPWC # CQ39T
2019	\$ 5,297	\$ 11,286	\$ 16,663
2020	5,297	11,286	16,663
2021	5,297	11,286	16,663
2022	5,297	11,286	16,663
2023	5,297	11,286	16,663
2024-2028	26,484	56,432	83,314
2029-2033	26,484	56,432	83,314
2034-2038	10,242	45,147	83,314
2039-2043	-	-	83,314
2044-2048	-	-	74,982
<b>Total:</b>	<b>\$ 89,695</b>	<b>\$ 214,441</b>	<b>\$ 491,553</b>

**Note 8 – Retirement Systems**

The village’s law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (PERS) of Ohio. OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans’ benefits, which include postretirement healthcare and survivor and disability.

Contribution rates are also prescribed by the Ohio Revised Code. From January 1, 2018 through December 31, 2018, OP&F participants contributed 12.25% of their wages. The village contributed an amount equal to 19.5% of police participant wages. OPERS members contributed 10% of gross wages. The village contributed an amount equal to 14% of participants’ gross wages. The village has paid all contributions required through December 31, 2018.

**Note 9 – Risk Management**

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

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

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty.

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2018

Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 764 members as of December 31, 2017.

*Plan members are responsible* to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2017.

Assets	\$14,853,620
Liabilities	<u>(9,561,108)</u>
Members' Equity	<u>\$ 5,292,512</u>

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

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Employment practices;
- Liability of public officials
- Liability of law enforcement; and
- Vehicles.

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2018

**Note 10 - Joint Ventures**

North Gate Alliance Co-operative Economic Development Agreement (CEDA) – The CEDA agreement addresses the issues of utility services, annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes the Village. The North Gate Alliance CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

Northern Pickaway County Joint Economic Development District (JEDD) – this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Harrison Township. The contracting parties have previously contributed an aggregate amount of \$18,468 to pay initial formation, administration and other costs related to the District. The Village did not contribute funds to the formation of the District, but agreed to the annexation moratorium described below. A Board of Directors has been established, which includes one member representing Columbus, one representing Harrison Township, and one member selected by the two members described above.

The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board’s duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District’s fiscal year is a calendar year, and the Board adopts an annual budget.

Overriding the JEDD agreement is an Annexation Moratorium Agreement (the “Agreement”) dated August 30, 2007 by and among the City of Columbus, Ohio (“Columbus”), the Village, the Village of South Bloomfield, Ohio (“South Bloomfield”), and Harrison Township. This agreement established a 50-year moratorium on annexation of an area of land bounded by Harrison Township line in the east, the Scioto River in the west and Duvall Road in the south by any of the municipalities that are a party to the agreement.

Madison Township Joint Economic Development District (JEDD) - this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Madison Township. A Board of Directors has been established, which includes one member representing Columbus, one representing Madison Township, and one member selected by the other two members described above. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board’s duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District’s fiscal year shall be the calendar year. The Board shall adopt an annual budget for the District.

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2018

**Note 11 - Contingent Liabilities**

Amounts received from grantor agencies 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.

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**VILLAGE OF ASHVILLE  
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Taxes	\$ 147,009	\$ -	\$ 147,009
Municipal Income Tax	1,251,594	-	1,251,594
Intergovernmental	53,562	217,719	271,281
Charges for Services	353,333	-	353,333
Fines, Licenses, and Permits	183,173	22,695	205,868
Earnings on Investments	3,459	260	3,719
Miscellaneous	14,437	689	15,126
	<u>2,006,567</u>	<u>241,363</u>	<u>2,247,930</u>
Total Cash Receipts			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	866,234	-	866,234
Public Health Services	9,691	-	9,691
Leisure Time Activities	50,586	-	50,586
Community Environment	43,318	-	43,318
Basic Utility Services	381,304	-	381,304
Transportation	110,774	204,856	315,630
General Government	404,583	8,650	413,233
Debt Service:			
Redemption of Principal	-	15,465	15,465
Interest and Fiscal Charges	-	426	426
	<u>1,866,490</u>	<u>229,397</u>	<u>2,095,887</u>
Total Cash Disbursements			
Excess of Receipts Over/(Under) Disbursements	140,077	11,966	152,043
<b>Other Financing Receipts (Disbursements):</b>			
Other Uses	(332)	-	(332)
	<u>(332)</u>	<u>-</u>	<u>(332)</u>
Total Other Financing Receipts (Disbursements)			
Net Change in Fund Cash Balances	139,745	11,966	151,711
Fund Cash Balances, January 1	355,964	153,645	509,609
	<u>355,964</u>	<u>153,645</u>	<u>509,609</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	159,952	159,952
Committed	-	5,659	5,659
Unassigned	495,709	-	495,709
	<u>495,709</u>	<u>-</u>	<u>495,709</u>
Fund Cash Balances, December 31	<u>\$ 495,709</u>	<u>\$ 165,611</u>	<u>\$ 661,320</u>

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

**VILLAGE OF ASHVILLE  
PICKAWAY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<b>Totals (Memorandum Only)</b>
	<u>Enterprise</u>	<u>Agency</u>		
<b>Operating Cash Receipts:</b>				
Charges for Services	\$ 1,485,688	\$ -	\$ -	\$ 1,485,688
Fines, Licenses & Permits	2,240	41,580	-	43,820
<b>Total Operating Cash Receipts</b>	<b>1,487,928</b>	<b>41,580</b>	<b>-</b>	<b>1,529,508</b>
<b>Operating Cash Disbursements</b>				
Personal services	230,672	-	-	230,672
Fringe benefits	126,899	-	-	126,899
Contractual services	332,790	9,997	-	342,787
Supplies and Materials	112,894	-	-	112,894
Other	18,168	-	-	18,168
<b>Total Operating Cash Disbursements</b>	<b>821,423</b>	<b>9,997</b>	<b>-</b>	<b>831,420</b>
<i>Operating Income (Loss)</i>	666,505	31,583	-	698,088
<b>Non-Operating Receipts (Disbursements)</b>				
Miscellaneous Receipts	15,168	-	-	15,168
Other Debt Proceeds	7,527,213	-	-	7,527,213
Capital Outlay	(7,429,666)	-	-	(7,429,666)
Principal	(57,020)	-	-	(57,020)
Interest	(172,349)	-	-	(172,349)
Other Non-operating Receipts	-	17,701	-	17,701
Other Non-operating Disbursements	-	(24,734)	-	(24,734)
<b>Total Non-Operating Receipts (Disbursements)</b>	<b>(116,654)</b>	<b>(7,033)</b>	<b>-</b>	<b>(123,687)</b>
<i>Net Change in Fund Cash Balances</i>	549,851	24,550	-	574,401
Fund Cash Balances, January 1	1,033,392	18,273	-	1,051,665
<b>Fund Cash Balances, December 31</b>	<b>\$ 1,583,243</b>	<b>\$ 42,823</b>	<b>\$ -</b>	<b>\$ 1,626,066</b>

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



Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

**Note 1 - Description of the Entity**

The Village of Ashville, Pickaway County, Ohio, (the Village) 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. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities, waste removal services, park operations (leisure time activities), and police services. The Village contracts with Harrison Township for fire protection services.

The Village participates in three jointly governed organizations, and the Ohio Plan Risk Management, Inc. (OPRM). Notes 9 and 10 to the financial statements provide additional information for these entities. These organizations are:

North Gate Alliance Cooperative Economic Development Agreement (CEDA) – the Village Council approved an agreement with the Pickaway County Board of Commissioners, Harrison Township, and the Village of South Bloomfield to cooperate in creating and preserving jobs and employment opportunities and to cooperate in including and fostering economic development. See Note 10 for further information.

Northern Pickaway County Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Harrison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 10 for further information.

Madison Township Joint Economic Development District (JEDD) – The Village Council approved formation of this JEDD with the City of Columbus and Madison Township. The parties have entered into a contract to create and provide for the operation of the JEDD in accordance with Sections 715.72 through 715.83 of the Ohio Revised Code. See Note 10 for further information.

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

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

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

***Accounting Basis***

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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).

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

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.

***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.

***Fund Accounting***

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

- ***General Fund*** - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.
- ***Special Revenue Funds*** - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund – This fund receipts gasoline tax and motor vehicle tax money to construct, maintain and repair Village streets.

Permissive Motor Vehicle License Tax Fund – This fund receipts permissive motor vehicle tax money to maintain and repair roads that run through the Village.

- ***Capital Projects Funds*** - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- ***Enterprise Funds*** - These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund – This fund receives charges for services from residents to cover the cost of providing water services.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing sewer services.

Storm Water Fund - This fund receives charges for services from residents to cover the cost of providing sewer services.

- ***Fiduciary Funds (Agency Funds)*** - Fiduciary funds include an agency fund, which is purely custodial in nature and used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

Village's agency funds account for Mayor's Court activity and to hold and disburse monies related to development within the Village.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

- **Appropriations**

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

- **Estimated Resources**

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

- **Encumbrances**

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

***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.

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

- **Assigned**

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

- **Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance. The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

- **Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

- **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.

**Note 3 - Equity in Pooled 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, 2017 was as follows:

Demand deposits	<u>\$2,287,386</u>
<b>Total deposits:</b>	<b>\$2,287,386</b>

**Deposits:** The Village's deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Village of Ashville, Ohio  
 Pickaway County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2017

**Note 4 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2017 was as follows:

***Budgeted vs. Actual Receipts***

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,686,522	\$ 2,006,567	\$ 320,045
Special Revenue	224,543	241,363	16,820
Enterprise	<u>10,188,086</u>	<u>7,685,494</u>	<u>(2,502,592)</u>
<b>Total</b>	<b>\$ 12,099,151</b>	<b>\$ 9,933,424</b>	<b>\$ (2,165,727)</b>

***Budgeted vs. Actual Budgetary Basis Expenditures***

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$ 1,984,213	\$ 1,866,822	\$ 117,391
Special Revenue	356,688	229,397	127,291
Enterprise	<u>9,634,533</u>	<u>7,135,643</u>	<u>2,498,890</u>
<b>Total</b>	<b>\$ 11,975,434</b>	<b>\$ 9,231,862</b>	<b>\$ 2,743,572</b>

**Note 5 - Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**Note 6 - Local Income Tax**

The Village levies a municipal income tax of 1 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. Income tax collections are processed by the Regional Income Tax Agency (RITA). RITA collects the income tax on-behalf of the Village and remits it to the Village. The tax payments received from RITA are recorded in the accompanying financial statements as municipal income tax receipts. Employers within the Village and employers of Village residents withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Village of Ashville, Ohio  
 Pickaway County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2017

**Note 7 - DEBT**

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan #7256	\$13,170,152	0.48%
OWDA Loan #7546	952,431	1.14%
Bank Loan – Sewage System	282,514	3.75%
Ohio Public Works Loan #CT82P	97,992	0.00%
Ohio Public Works Loan #CT73N	225,727	0.00%
Bank Loan – 2016 Cruiser	9,261	3.00%
Bank Loan – Dump Truck	<u>15,467</u>	3.00%
<b>Total</b>	<b>\$14,753,544</b>	

- ❖ The Ohio Water Development Authority (OWDA) loans relate to an ongoing sewer project. The OWDA has approved financing up to \$13,871,723 for Loan #7256 and \$1,071,714.70 for Loan #7546 for this project; as of December 31, 2017 project expenditures were \$13,175,088 for Loan #7256 and \$1,069,875 for Loan #7546. Amortization schedules are not available yet.
- ❖ The Village issued FmHA Mortgage Revenue Bonds in 1989 for the construction of a sewage system. During 2011 the Village obtained a bank loan at a lower interest rate and used the proceeds to retire the outstanding FmHA mortgage revenue bonds. The new loan, with an original amount of \$424,764, accrues interest at 3.75% and is payable in semi-annual payments of \$18,639 through 2026.
- ❖ The above loans are collateralized by water and sewer receipts.
- ❖ In 2013 the Village obtained a bank loan, for the purchase of a dump truck, for \$71,500. The loan accrues interest at 2.90% and is payable in bi-annual installments of \$7,733, including interest, through 2018.
- ❖ In 2015 the Village obtained a bank loan, for the purchase of a cruiser, for \$26,505. The loan accrues interest at 3% and is payable in annual installments of \$9,261, including interest, through 2018.

Village of Ashville, Ohio  
 Pickaway County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2017

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

	Bank Loan Sewage	Bank Loan Dump Truck	Bank Loan 2016 Police Cruiser
Year Ending December 31:			
2018	37,279	7,731	7,717
2019	37,279	0	0
2020	37,279	0	0
2021	37,279	0	0
2022	37,279	0	0
2023-2026	<u>105,807</u>	<u>0</u>	<u>0</u>
<b>Totals</b>	<b>\$292,202</b>	<b>\$7,731</b>	<b>\$7,717</b>

Year ending December 31: OPWC Loans

	OPWC #CT82P	OPWC #CT73N	OPWC # CQ39T
2018	\$ 5,297	\$ 11,286	\$ 8,331
2019	5,297	11,286	16,663
2020	5,297	11,286	16,663
2021	5,297	11,286	16,663
2022	5,297	11,286	16,663
2023-2027	26,484	56,432	83,314
2028-2032	26,484	56,432	83,314
2033-2037	18,539	56,433	83,314
2038-2042	-	-	83,314
2043-2047	<u>-</u>	<u>-</u>	<u>36,827</u>
<b>Total:</b>	<b><u>\$ 97,992</u></b>	<b><u>\$ 225,727</u></b>	<b><u>\$ 445,066</u></b>

**Note 8 – Retirement Systems**

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (PERS) of Ohio. OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability.

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Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

**Note 9 – Risk Management**

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Assets	\$14,853,620
Liabilities	<u>(9,561,108)</u>
Members' Equity	<u>\$ 5,292,512</u>

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



Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

**Note 10 - Joint Ventures**

North Gate Alliance Co-operative Economic Development Agreement (CEDA) – The CEDA agreement addresses the issues of utility services, annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes the Village. The North Gate Alliance CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

Northern Pickaway County Joint Economic Development District (JEDD) – this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Harrison Township. The contracting parties have previously contributed an aggregate amount of \$18,468 to pay initial formation, administration and other costs related to the District. The Village did not contribute funds to the formation of the District, but agreed to the annexation moratorium described below. A Board of Directors has been established, which includes one member representing Columbus, one representing Harrison Township, and one member selected by the two members described above.

The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board's duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District's fiscal year is a calendar year, and the Board adopts an annual budget.

Overriding the JEDD agreement is an Annexation Moratorium Agreement (the "Agreement") dated August 30, 2007 by and among the City of Columbus, Ohio ("Columbus"), the Village, the Village of South Bloomfield, Ohio ("South Bloomfield"), and Harrison Township. This agreement established a 50-year moratorium on annexation of an area of land bounded by Harrison Township line in the east, the Scioto River in the west and Duvall Road in the south by any of the municipalities that are a party to the agreement.

Madison Township Joint Economic Development District (JEDD) - this JEDD was created to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Pickaway County, the Village, the City of Columbus, and Madison Township. A Board of Directors has been established, which includes one member representing Columbus, one representing Madison Township, and one member selected by the other two members described above. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, obtaining fiduciary bonds in connection with the Board's duties, the appropriations procedures to provide for payment of the expenses of the District and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The District's fiscal year shall be the calendar year. The Board shall adopt an annual budget for the District.

Village of Ashville, Ohio  
Pickaway County  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

**Note 11 - Contingent Liabilities**

Amounts received from grantor agencies 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.



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

Village of Ashville  
Pickaway County  
200 Station Street  
Ashville, Ohio 43164

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Ashville, Pickaway County, (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated June 14, 2019 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 Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

***Compliance and Other Matters***

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

***Purpose of this Report***

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.  
Piketon, Ohio  
June 14, 2019

**Village of Ashville  
Pickaway County  
Schedule of Findings  
December 31, 2018 and 2017**

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**1. SUMMARY OF AUDITOR'S RESULTS**

**FINDING NUMBER 2018-001**

**MATERIAL WEAKNESS**

Sound financial reporting is the responsibility of the fiscal officer and Village Council and is essential to ensure information provided to the readers of the financial statements is complete and accurate.

Material and immaterial misstatements were identified during the course of the audit which have not been prevented or detected by the Village's internal controls over financial reporting. Misstatements were identified in the following areas:

- Other Financing Sources
- Other Financing Uses
- Fund Balance

To ensure the Village's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Ohio Village Officer's Handbook for guidance on the correct line item to post various receipts and expenditures of the Village.

**Client Response:** We did not receive a response from Officials to this finding.

**Village of Ashville  
Pickaway County  
Schedule of Prior Audit Findings  
December 31, 2018 and 2017**

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<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2016-001	Material Weakness – Financial Reporting	No	Reissued as 2018-001

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF ASHVILLE**

**PICKAWAY COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 10, 2019**