



**VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY  
Regular Audit  
For the Years Ended December 31, 2019 and 2018**

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Marietta, OH 45750  
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Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
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OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of St. Paris  
PO Box 572  
St. Paris, OH 43072

We have reviewed the *Independent Auditor's Report* of the Village of St. Paris, Champaign County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of St. Paris 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

[December 11, 2020



VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY

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## INDEPENDENT AUDITOR'S REPORT

September 4, 2020

Village of Saint Paris  
Champaign County  
135 West Main Street  
Saint Paris, Ohio 43072

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 **Village of Saint Paris**, Champaign County, (the Village) as of and for the years ended December 31, 2019 and 2018.

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

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

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

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

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

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019 and 2018, and the respective changes in financial position or cash flows thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Saint Paris, Champaign County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 11 to the financial statements, during 2019 and 2018, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2020, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



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



**VILLAGE OF SAINT PARIS, OHIO  
CHAMPAIGN 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	\$ 31,979	\$ 52,443	\$ -	\$ 84,422
Municipal Income Tax	420,693	-	-	420,693
Intergovernmental	31,196	116,466	-	147,662
Special Assessments	-	916	-	916
Charges for Services	-	1,060	-	1,060
Fines, Licenses and Permits	72,419	8,467	-	80,886
Earnings on Investments	5,090	455	-	5,545
Miscellaneous	2,576	10,500	-	13,076
<i>Total Cash Receipts</i>	<u>563,953</u>	<u>190,307</u>	<u>-</u>	<u>754,260</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	323,238	4,389	-	327,627
Leisure Time Activities	-	11,913	-	11,913
Community Environment	2,258	-	-	2,258
Transportation	-	124,290	-	124,290
General Government	216,468	-	-	216,468
Debt Service:				
Principal Retirement	-	20,008	-	20,008
Interest and Fiscal Charges	-	581	-	581
<i>Total Cash Disbursements</i>	<u>541,964</u>	<u>161,181</u>	<u>-</u>	<u>703,145</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>21,989</u>	<u>29,126</u>	<u>-</u>	<u>51,115</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	-	28,000	28,000
Transfers Out	(28,000)	-	-	(28,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(28,000)</u>	<u>-</u>	<u>28,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(6,011)	29,126	28,000	51,115
<i>Fund Cash Balances, January 1</i>	<u>300,495</u>	<u>183,623</u>	<u>-</u>	<u>484,118</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	199,700	-	199,700
Committed	-	13,049	28,000	41,049
Assigned	177,721	-	-	177,721
Unassigned (Deficit)	116,763	-	-	116,763
<i>Fund Cash Balances, December 31</i>	<u>\$ 294,484</u>	<u>\$ 212,749</u>	<u>\$ 28,000</u>	<u>\$ 535,233</u>

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

**VILLAGE OF SAINT PARIS, OHIO  
CHAMPAIGN COUNTY**

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

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 876,457
<i>Total Operating Cash Receipts</i>	<u>876,457</u>
<b>Operating Cash Disbursements</b>	
Personal Services	173,791
Employee Fringe Benefits	118,422
Contractual Services	167,269
Supplies and Materials	78,322
Other	115
<i>Total Operating Cash Disbursements</i>	<u>537,919</u>
<i>Operating Income (Loss)</i>	<u>338,538</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Loans Issued	122,492
Miscellaneous Receipts	1,735
Capital Outlay	(207,890)
Principal Retirement	(104,298)
Interest and Other Fiscal Charges	(95,763)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(283,724)</u>
<i>Net Change in Fund Cash Balances</i>	54,814
<i>Fund Cash Balances, January 1</i>	<u>1,601,254</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,656,068</u>

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

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**Note 1 – Reporting Entity**

The Village of Saint Paris (the Village), Champaign 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 general governmental services, water and sewer utilities and police services.

***Jointly Governed Organizations and Public Entity Risk Pools***

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

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

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

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

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

***Special Revenue Funds*** - These funds account for and report the proceeds of specific 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*** – The Street Construction, Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license tax registration fees restricted for construction, maintenance and repair of streets within 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 of construction of capital facilities and other capital assets. The Village had the following significant Capital Projects Fund:

***Capital Projects Fund*** – The Capital Project Fund accounts for Ohio Water Development Authority funds for the construction of a water treatment facility.

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

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN 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)**

***Fund Accounting (Continued)***

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

***Sewer Capital Outlay Fund*** - The Sewer Capital Outlay Fund receives charges for services from residents to help maintain the sewer plant.

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

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

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

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

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

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

A summary of 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Capital Assets***

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

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

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

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

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

**Note 3 – Budgetary Activity**

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 542,230	\$ 563,953	\$ 21,723
Special Revenue	186,427	190,307	3,880
Capital Projects	28,000	28,000	-
Enterprise	1,092,300	1,000,684	(91,616)
Total	\$ 1,848,957	\$ 1,782,944	\$ (66,013)

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 3 – Budgetary Activity (Continued)**

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 659,366	\$ 569,964	\$ 89,402
Special Revenue	244,373	161,181	83,192
Enterprise	1,924,732	945,870	978,862
Total	\$ 2,828,471	\$ 1,677,015	\$ 1,151,456

**Note 4 - Deposits**

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

	2019
Demand deposits	\$ 1,888,658
Certificates of deposit	302,643
	\$ 2,191,301

**Deposits**

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

**Note 5 – Taxes**

**Property Taxes**

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

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property, and for billing, collecting and distributing all property taxes on behalf of the Village.

**Income Taxes**

The Village levies a one percent income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual income taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Municipal income tax receipts for 2019 were \$420,693.

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**Note 6 – Risk Management**

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

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

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

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

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

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

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some of the Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 7 – Defined Benefit Pension Plans**

**Ohio Police and Fire Retirement System**

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

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

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2019. OP&F contributes 0.5% to fund these benefits.

**Note 9 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
First Central National Bank - Water Tower	\$ 228,332	4.50%
First Central National Bank - Water/Sewer Truck	7,769	2.25%
First Central National Bank - Street Truck	17,345	2.25%
OWDA #7804	2,699,376	2.78%
OPWC #CK10R	218,892	0.00%
Total	<u>\$ 3,171,714</u>	

In 2007, the Village obtained a loan for \$582,431 with an interest rate of 5% from First Central National Bank for a Water Tower Project. The Village was approved for \$600,000 and the total drawn was \$582,431. Interest is paid semiannually with annual principal payments of \$30,000 through 2017. A balloon payment of \$300,000 was due May 2017. In April 2017, this loan was refinanced and the amount refinanced was \$319,108. The current interest rate is 4.5%.

In December 2015, the Village obtained a loan from First Central National Bank to purchase a truck for the water and sewer department. The loan was for \$36,918 with an interest rate of 2.25%. The loan requires monthly principal and interest payments of \$651.

In 2015, the Village received a grant of \$400,000 and an interest-free 30-year loan from the Ohio Public Works Commission (OPWC) for \$252,567 to completely reconstruct Poplar Street including the water, sewer and storm lines. The loan paid for the water and street portion of the project. The loan requires semi-annual principal payments of \$4,209 due in January and July. The first payment was due January 2017.

In January 2016, the Village obtained a loan from First Central National Bank to purchase a truck for the street department. The loan was for \$66,582 with an interest rate of 2.25%. The loan requires quarterly principal and interest payments of \$3,530. The first payment was due April 2016.



**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 9 – Debt (Continued)**

In 2017, the Village signed a loan agreement with the Ohio Water Development Authority (OWDA) to build a water plant. The maximum amount of the loan is \$3,068,703. The loan has an undisbursed balance of \$268,828, and a final amortization schedule will not be available until the loan is closed out and the undisbursed balance is \$0 and the loan is done disbursing. The interest rate is 2.78% on the 30 year loan, with payments beginning in July 2018. The loan requires semi-annual estimated principal and interest payments of \$75,742.

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

<u>Year Ending December 31:</u>	<u>Water Tower</u>	<u>Truck</u>	<u>Street Truck</u>	<u>OPWC</u>
2020	\$ 38,753	\$ 7,814	\$ 14,120	\$ 8,419
2021	38,753	-	3,530	8,419
2022	38,753	-	-	8,419
2023	38,753	-	-	8,419
2024	38,753	-	-	8,419
2025-2029	77,506	-	-	42,095
2030-2034	-	-	-	42,094
2035-2039	-	-	-	42,095
2040-2044	-	-	-	42,094
2045	-	-	-	8,419
Total	<u>\$ 271,271</u>	<u>\$ 7,814</u>	<u>\$ 17,650</u>	<u>\$ 218,892</u>

**Note 10 – Jointly Governed Organizations**

The JSP Fire District is a jointly governed organization. A five-member Board of Trustees governs the District. One represents the Village; one represents Johnson Township; and three members at-large. The District provides fire protection, rescue services and EMS services within the District and by contract to areas outside the District.

**Note 11 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

**VILLAGE OF SAINT PARIS, OHIO  
CHAMPAIGN COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 32,300	\$ 51,520	\$ 83,820
Municipal Income Tax	466,594	-	466,594
Intergovernmental	29,364	125,114	154,478
Special Assessments	-	3,979	3,979
Charges for Services	4,425	881	5,306
Fines, Licenses and Permits	60,888	-	60,888
Earnings on Investments	2,087	161	2,248
Miscellaneous	10,679	9,056	19,735
<i>Total Cash Receipts</i>	<u>606,337</u>	<u>190,711</u>	<u>797,048</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	305,732	2,154	307,886
Leisure Time Activities	-	2,916	2,916
Community Environment	1,512	-	1,512
Transportation	-	128,669	128,669
General Government	175,617	5,615	181,232
Debt Service:			
Principal Retirement	9,841	19,704	29,545
Interest and Fiscal Charges	551	884	1,435
<i>Total Cash Disbursements</i>	<u>493,253</u>	<u>159,942</u>	<u>653,195</u>
<i>Net Change in Fund Cash Balances</i>	113,084	30,769	143,853
<i>Fund Cash Balances, January 1 (Restated, See Note 12)</i>	<u>187,411</u>	<u>152,854</u>	<u>340,265</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	164,788	164,788
Committed	-	18,835	18,835
Assigned	117,136	-	117,136
Unassigned (Deficit)	183,359	-	183,359
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 300,495</u></u>	<u><u>\$ 183,623</u></u>	<u><u>\$ 484,118</u></u>

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

**VILLAGE OF SAINT PARIS, OHIO  
CHAMPAIGN COUNTY**

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

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 891,537	\$ -	\$ 891,537
Miscellaneous	316	-	316
<i>Total Operating Cash Receipts</i>	<u>891,853</u>	<u>-</u>	<u>891,853</u>
<b>Operating Cash Disbursements</b>			
Personal Services	141,106	-	141,106
Employee Fringe Benefits	103,947	-	103,947
Contractual Services	159,016	-	159,016
Supplies and Materials	44,854	-	44,854
Other	431	499	930
<i>Total Operating Cash Disbursements</i>	<u>449,354</u>	<u>499</u>	<u>449,853</u>
<i>Operating Income (Loss)</i>	<u>442,499</u>	<u>(499)</u>	<u>442,000</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Loans Issued	2,625,280	-	2,625,280
Miscellaneous Receipts	4,047	-	4,047
Capital Outlay	(2,763,534)	-	(2,763,534)
Principal Retirement	(68,492)	-	(68,492)
Interest and Other Fiscal Charges	(55,767)	-	(55,767)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(258,466)</u>	<u>-</u>	<u>(258,466)</u>
<i>Net Change in Fund Cash Balances</i>	184,033	(499)	183,534
<i>Fund Cash Balances, January 1</i>	<u>1,417,221</u>	<u>499</u>	<u>1,417,720</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,601,254</u>	<u>\$ -</u>	<u>\$ 1,601,254</u>

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

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 1 – Reporting Entity**

The Village of Saint Paris (the Village), Champaign 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 general governmental services, water and sewer utilities and police services.

***Jointly Governed Organizations and Public Entity Risk Pools***

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

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

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

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

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

***Special Revenue Funds*** - These funds account for and report the proceeds of specific 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*** – The Street Construction, Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license tax registration fees restricted for construction, maintenance and repair of streets within the Village.

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

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

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

***Sewer Capital Outlay Fund*** - The Sewer Capital Outlay Fund receives charges for services from residents to help maintain the sewer plant.

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

***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.

Agency funds are purely custodial in nature and are 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 fund account for Mayor's Court activity; however, the Mayor's Court was closed in 2017, and the Village dispersed the monies, as advised by legal counsel, to the Champaign County Municipal Court in December 2018.

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

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

***Budgetary Process***

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

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

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

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

A summary of 2018 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Capital Assets***

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

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

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

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

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

**Note 3 – Budgetary Activity**

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 537,650	\$ 606,337	\$ 68,687
Special Revenue	184,427	190,711	6,284
Enterprise	4,161,003	3,521,180	(639,823)
Total	\$ 4,883,080	\$ 4,318,228	(564,852)

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 3 – Budgetary Activity (Continued)**

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 576,446	\$ 495,899	\$ 80,547
Special Revenue	251,390	160,245	91,145
Enterprise	4,417,317	3,338,379	1,078,938
Total	\$ 5,245,153	\$ 3,994,523	\$ 1,250,630

**Note 4 - Deposits**

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

Demand deposits	2018
	\$ 2,085,372

**Deposits**

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

**Note 5 – Taxes**

**Property Taxes**

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

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property, and for billing, collecting and distributing all property taxes on behalf of the Village.

**Income Taxes**

The Village levies a one percent income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual income taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Municipal income tax receipts for 2018 were \$466,594.

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Note 6 – Risk Management**

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

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

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

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

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

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

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some of the Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

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

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

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



**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2018. OP&F contributes 0.5% to fund these benefits.

**Note 9 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
First Central National Bank - Water Tower	\$ 255,575	4.50%
First Central National Bank - Water/Sewer Truck	15,319	2.25%
First Central National Bank - Street Truck	30,884	2.25%
OWDA #7804	2,644,439	2.78%
OPWC #CK10R	227,311	0.00%
Total	<u>\$ 3,173,528</u>	

In 2007, the Village obtained a loan for \$582,431 with an interest rate of 5% from First Central National Bank for a Water Tower Project. The Village was approved for \$600,000 and the total drawn was \$582,431. Interest is paid semiannually with annual principal payments of \$30,000 through 2017. A balloon payment of \$300,000 was due May 2017. In April 2017, this loan was refinanced and the amount refinanced was \$319,108. The current interest rate is 4.5%.

In May 2015, the Village entered into a Master Lease with Option to Purchase Agreement with Key Chrysler Jeep & Dodge Inc. for a 2014 Dodge Charger. The lease was paid off during 2018.

In December 2015, the Village obtained a loan from First Central National Bank to purchase a truck for the water and sewer department. The loan was for \$36,918 with an interest rate of 2.25%. The loan requires monthly principal and interest payments of \$651.

In 2015, the Village received a grant of \$400,000 and an interest-free 30-year loan from the Ohio Public Works Commission (OPWC) for \$252,567 to completely reconstruct Poplar Street including the water, sewer and storm lines. The loan paid for the water and street portion of the project. The loan requires semi-annual principal payments of \$4,209 due in January and July. The first payment was due January 2017.

In January 2016, the Village obtained a loan from First Central National Bank to purchase a truck for the street department. The loan was for \$66,582 with an interest rate of 2.25%. The loan requires quarterly principal and interest payments of \$3,530. The first payment was due April 2016.

In 2017, the Village signed a loan agreement with the Ohio Water Development Authority (OWDA) to build a water plant. The maximum amount of the loan is \$3,068,703. The interest rate is 2.78% on the 30 year loan, with payments beginning in July 2018. The loan requires semi-annual estimated principal and interest payments of \$75,738. The prior audit report did not report this loan or its outstanding loan balance of \$52,244 at December 31, 2017.

**VILLAGE OF SAINT PARIS**  
**CHAMPAIGN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9 – Debt (Continued)**

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

Year Ending December 31:	Water Tower	Truck	Street Truck	OPWC
2019	\$ 38,753	\$ 7,814	\$ 14,120	\$ 8,419
2020	38,753	7,814	14,120	8,419
2021	38,753	-	3,530	8,419
2022	38,753	-	-	8,419
2023	38,753	-	-	8,419
2024-2028	116,259	-	-	42,095
2029-2033	-	-	-	42,094
2034-2038	-	-	-	42,095
2039-2043	-	-	-	42,094
2044-2045	-	-	-	16,838
Total	<u>\$ 310,024</u>	<u>\$ 15,628</u>	<u>\$ 31,770</u>	<u>\$ 227,311</u>

An amortization schedule was not yet available for the OWDA #7804 loan, as the loan was not fully disbursed as of December 31, 2018.

**Note 10 – Jointly Governed Organizations**

The JSP Fire District is a jointly governed organization. A five-member Board of Trustees governs the District. One represents the Village; one represents Johnson Township; and three members at-large. The District provides fire protection, rescue services and EMS services within the District and by contract to areas outside the District.

**Note 11 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.

**Note 12 – Restatement of Beginning Fund Balances**

Beginning fund balances at January 1, 2018 were restated for the Village's General and Mayor's Court Computer Funds to reflect voided checks:

	General	Mayor's Court Computer
Ending Fund Balance, December 21, 2017	\$ 186,762	\$ 5,515
Restatement for Voided Checks	649	100
Beginning Fund Balance, January 1, 2018, Restated	<u>\$ 187,411</u>	<u>\$ 5,615</u>

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

September 4, 2020

Village of Saint Paris  
Champaign County  
135 West Main Street  
Saint Paris, Ohio 43072

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 Saint Paris**, Champaign County, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated September 4, 2020, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

**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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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 audit findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

***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 communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." The signature is written in a cursive, flowing style.

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

VILLAGE OF SAINT PARIS  
CHAMPAIGN COUNTY

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

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

FINDING NUMBER 2019-001

**Material Weakness**

**Financial Reporting**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- Permissive motor vehicle receipts were posted in the Street Construction, Maintenance and Repair Fund instead of the Permissive Motor Vehicle License Tax Fund in 2018;
- A debt late fee payment of \$60 was posted as Principal Retirement instead of Interest and Fiscal Charges in the Water Operating Fund in 2019;
- Unencumbered balance of the General Fund was classified as Assigned instead of Unassigned in 2019 and 2018;
- Parks and Recreation Fund balance was classified as Restricted instead of Committed in 2019 and 2018;
- Capital Projects Fund balance was classified as Restricted instead of Committed in 2019;
- Debt payment was posted as Security of Persons and Property instead of Principal Retirement and Interest and Fiscal Charges in the General Fund in 2018;
- OWDA debt proceeds were received in 2017, but were posted in 2018 in the Water Operating Fund;
- Utilities revenue was received in 2018, but was posted in 2019 in the Water Operating and Sewer Operating Funds.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications and adjustments. The financial statements reflect all reclassifications and adjustments. The Village has posted all adjustments to its accounting system. Additional errors noted in immaterial amounts, both individually and in the aggregate by fund type, were not included on the financial statements and were included on the summary of unadjusted differences.

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

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

**Management's Response** – Officials did not provide a response to this finding.

**VILLAGE OF ST. PARIS  
CHAMPAIGN COUNTY**

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

Finding Number	Finding Summary	Status	Additional Information
2017-001	Posting Receipts, Disbursements and Fund Balances	Not Corrected	Repeated as Finding 2019-001

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF SAINT PARIS**

**CHAMPAIGN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 12/24/2020**

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)