

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

*Financial Statements*  
**(Audited)**

For The Years Ended  
December 31, 2013 and 2012

**KATHRYN JENKINS, CLERK/TREASURER**





# Dave Yost • Auditor of State

Village Council  
Village of Pleasantville  
P.O. Box 193  
Pleasantville, Ohio 43148

We have reviewed the *Independent Auditor's Report* of the Village of Pleasantville, Fairfield County, prepared by Julian & Grube, Inc., for the audit period January 1, 2012 through December 31, 2013. 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 Pleasantville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 8, 2014

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**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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**Independent Auditor's Report**

Village of Pleasantville  
Fairfield County  
P.O. Box 193  
Pleasantville, Ohio 43148

To the Members of Council and Mayor:

***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Village of Pleasantville, Fairfield County, Ohio, as of and for the years ended December 31, 2013 and 2012.

***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 statements misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village of Pleasantville'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 of Pleasantville's internal control. Accordingly, we express no 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 opinion.

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

As described in Note 1 of the financial statements, the Village of Pleasantville 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, to satisfy requirements.

Members of Council and Mayor  
Village of Pleasantville  
Page Two

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***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 of Pleasantville as of December 31, 2013 and 2012, or 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 combined cash balances of the Village of Pleasantville, Fairfield County, Ohio, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements 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 1.

***Emphasis of Matter***

As discussed in Note 10 to the financial statements, during 2012, the Village of Pleasantville adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". Our opinion is not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2014, on our consideration of the Village of Pleasantville'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 of Pleasantville's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
July 22, 2014

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Debt Service	
<b>Cash receipts:</b>				
Property and local taxes	\$ 41,725	\$ 41,644	\$ -	\$ 83,369
Municipal income tax	2,385	-	-	2,385
Intergovernmental	14,777	38,213	-	52,990
Special assessments	131	-	-	131
Charges for services	17,875	10,150	-	28,025
Fines, licenses, and permits	5,245	-	-	5,245
Earnings on investments	-	1	-	1
Miscellaneous	562	601	-	1,163
<b>Total cash receipts</b>	<b>82,700</b>	<b>90,609</b>	<b>-</b>	<b>173,309</b>
<b>Cash disbursements:</b>				
<b>Current:</b>				
Security of persons and property	25,296	27,128	-	52,424
Public health services	3,646	-	-	3,646
Leisure time activities	-	18,431	-	18,431
Community environment	1,929	235	-	2,164
Basic utility services	-	110	-	110
Transportation	-	32,794	-	32,794
General government	39,829	12,778	-	52,607
Capital outlay	-	983	-	983
<b>Debt service:</b>				
Principal retirement	-	-	1,323	1,323
<b>Total cash disbursements</b>	<b>70,700</b>	<b>92,459</b>	<b>1,323</b>	<b>164,482</b>
<b>Excess of receipts over/(under) disbursements</b>	<b>12,000</b>	<b>(1,850)</b>	<b>(1,323)</b>	<b>8,827</b>
<b>Other financing receipts (disbursements):</b>				
Transfers in	-	2,215	1,323	3,538
Transfers out	(3,538)	-	-	(3,538)
Advances in	4,919	4,919	-	9,838
Advances out	(4,919)	(4,919)	-	(9,838)
<b>Total other financing receipts (disbursements)</b>	<b>(3,538)</b>	<b>2,215</b>	<b>1,323</b>	<b>-</b>
<b>Net change in fund cash balances</b>	<b>8,462</b>	<b>365</b>	<b>-</b>	<b>8,827</b>
<b>Fund cash balances, January 1, 2013</b>	<b>38,667</b>	<b>55,132</b>	<b>-</b>	<b>93,799</b>
<b>Fund cash balances, December 31, 2013</b>				
Restricted	-	50,693	-	50,693
Committed	2,646	4,804	-	7,450
Assigned	22,347	-	-	22,347
Unassigned (deficit)	22,136	-	-	22,136
<b>Fund cash balances, December 31, 2013</b>	<b>\$ 47,129</b>	<b>\$ 55,497</b>	<b>\$ -</b>	<b>\$ 102,626</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
BALANCES (CASH BASIS) - PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Proprietary Fund Type	Fiduciary Fund Type
	Enterprise	Agency
Operating cash receipts:		
Charges for services	\$ 107,514	\$ 157,599
Total operating cash receipts	107,514	157,599
Operating cash disbursements:		
Personal services	38,327	-
Fringe benefits	5,743	-
Contractual services	29,383	190,123
Supplies and material	25,372	-
Other	4,608	-
Total operating cash disbursements	103,433	190,123
Operating income/(loss)	4,081	(32,524)
Nonoperating cash receipts/(disbursements):		
Intergovernmental	219,560	-
Special assessments	-	32,524
Proceeds of notes	58,005	-
Earnings on investments	91	-
Capital outlay	(277,565)	-
Principal retirement	(2,928)	-
Other Financing Sources	5,338	-
Total nonoperating cash receipts/(disbursements)	2,501	32,524
Net income/(loss)	6,582	-
Fund cash balances, January 1, 2013	72,630	-
Fund cash balances, December 31, 2013	\$ 79,212	\$ -

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Debt Service	
Cash receipts:				
Property and local taxes	\$ 39,613	\$ 23,087	\$ -	\$ 62,700
Intergovernmental	24,125	41,004	-	65,129
Charges for services	18,422	8,455	-	26,877
Fines, licenses, and permits	6,555	-	-	6,555
Earnings on investments	-	1	-	1
Miscellaneous	872	4,199	-	5,071
Total cash receipts	<u>89,587</u>	<u>76,746</u>	<u>-</u>	<u>166,333</u>
Cash disbursements:				
Current:				
Security of persons and property	24,687	31,161	-	55,848
Public health services	4,069	-	-	4,069
Leisure time activities	-	18,977	-	18,977
Community environment	3,592	155	-	3,747
Transportation	-	38,053	-	38,053
General government	53,448	5	-	53,453
Capital outlay	-	1,000	-	1,000
Debt service:				
Principal retirement	-	-	2,646	2,646
Total cash disbursements	<u>85,796</u>	<u>89,351</u>	<u>2,646</u>	<u>177,793</u>
Excess of receipts over/(under) disbursements	<u>3,791</u>	<u>(12,605)</u>	<u>(2,646)</u>	<u>(11,460)</u>
Other financing receipts (disbursements):				
Transfers in	-	8,535	2,646	11,181
Transfers out	(11,181)	-	-	(11,181)
Total other financing receipts (disbursements)	<u>(11,181)</u>	<u>8,535</u>	<u>2,646</u>	<u>-</u>
Net change in fund cash balances	(7,390)	(4,070)	-	(11,460)
Fund cash balances, January 1, 2012	<u>46,057</u>	<u>59,202</u>	<u>-</u>	<u>105,259</u>
Fund cash balances, December 31, 2012				
Restricted	-	55,132	-	55,132
Committed	4,943	-	-	4,943
Assigned	17,497	-	-	17,497
Unassigned (deficit)	16,227	-	-	16,227
Fund cash balances, December 31, 2012	<u>\$ 38,667</u>	<u>\$ 55,132</u>	<u>\$ -</u>	<u>\$ 93,799</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
BALANCES (CASH BASIS) - PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Proprietary Fund Type	Fiduciary Fund Type
	Enterprise	Agency
Operating cash receipts:		
Charges for services	\$ 118,562	\$ 161,433
Total operating cash receipts	118,562	161,433
Operating cash disbursements:		
Personal services	37,836	-
Fringe benefits	5,711	-
Contractual services	38,092	194,111
Supplies and materials	19,574	-
Other	4,205	-
Total operating cash disbursements	105,418	194,111
Operating income/(loss)	13,144	(32,678)
Nonoperating cash receipts/(disbursements):		
Intergovernmental	17,465	-
Special assessments	-	32,678
Capital outlay	(17,960)	-
Principal retirement	(5,856)	-
Other Financing Sources	1,175	-
Total nonoperating cash receipts/(disbursements)	(5,176)	32,678
Net income/(loss)	7,968	-
Fund cash balances, January 1, 2012	64,662	-
Fund cash balances, December 31, 2012	\$ 72,630	\$ -

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Pleasantville, Fairfield 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 utilities, pool and park operations. The Village contracts with the Village of Baltimore Police to provide security of persons and property. The Village contracts with the Walnut Creek Sewer District (“WCSD”) to provide sewer services.

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

**B. Basis of Accounting**

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).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. 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.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**2. 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 receives gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

*Police Fund* - This fund receives property tax money to pay for policing of the Village.

**3. Debt Service Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following Debt Service Fund:

*CQ22D Note Retirement* - This fund receives transfers-in from the General Fund for the repayment of debt associated with the Summit Street Storm Sewer project.

**4. Proprietary Funds**

**Enterprise Fund**

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 Fund:

*Water Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

**5. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village did not have any trust funds.

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 accounts for sewer fees collected on behalf of the Walnut Creek Sewer District.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**E. Budgetary Process**

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

**1. 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. 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 also approve estimated resources.

**3. 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 appropriated.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**F. 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:

**1. Nonspendable**

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

**2. 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 of regulations of other governments; or is imposed by law through constitutional provisions.

**3. 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.

**4. 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.

**5. Unassigned**

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

**G. Property, Plant and Equipment**

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

**H. 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.

**I. Interfund Transactions**

During the course of normal operations, the Village had transactions between funds. The most significant include transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the necessary fund and are recorded as operating transfers. Advances are temporary loans to other funds which will ultimately be repaid.

**NOTE 2 - EQUITY IN POOLED CASH**

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

	<u>2013</u>	<u>2012</u>
Demand Deposits	<u>\$ 181,838</u>	<u>\$ 166,429</u>
Total Deposits	<u>\$ 181,838</u>	<u>\$ 166,429</u>

*Deposits:* Deposits are insured by the Federal Depository Insurance Corporation.



**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 3 - BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 77,912	\$ 82,700	\$ 4,788
Special Revenue	79,150	92,824	13,674
Debt Service	2,647	1,323	(1,324)
Enterprise	510,635	390,508	(120,127)
Total	\$ 670,344	\$ 567,355	\$ (102,989)

2013 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 94,491	\$ 75,040	\$ 19,451
Special Revenue	116,673	92,679	23,994
Debt Service	2,647	1,323	1,324
Enterprise	505,963	384,906	121,057
Total	\$ 719,774	\$ 553,948	\$ 165,826

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 86,288	\$ 89,587	\$ 3,299
Special Revenue	89,931	85,281	(4,650)
Debt Service	2,647	2,646	(1)
Enterprise	258,711	137,202	(121,509)
Total	\$ 437,577	\$ 314,716	\$ (122,861)

2012 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 113,330	\$ 97,755	\$ 15,575
Special Revenue	102,777	89,605	13,172
Debt Service	2,647	2,646	1
Enterprise	262,098	130,253	131,845
Total	\$ 480,852	\$ 320,259	\$ 160,593

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 4 - 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.

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

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

**NOTE 5 - LOCAL INCOME TAX**

On October 1, 2013, the Village began levying a municipal income tax of one 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. The Village contracts with the Regional Income Tax Agency for collection.

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

**NOTE 6 - DEBT**

At December 31, 2013 and December 31, 2012, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/2013</u>	<u>Balance at 12/31/2012</u>
OPWC Summit Street Sewer Project	\$ 18,528	\$ 19,851
OPWC Water Tower Design and Construction	21,762	22,669
OPWC N. Main Street Waterline Replacement	15,928	16,620
OPWC S. Main Street Waterline Replacement	37,205	38,534
OPWC Water System Improvements	58,005	-
Total	<u>\$ 151,428</u>	<u>\$ 97,674</u>

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 6 - DEBT - (Continued)**

Transactions for the years ended December 31, 2013 and December 31, 2012 are summarized as follows:

<u>2013</u>	Balance at 12/31/2012	Proceeds	Retirements	Balance at 12/31/2013
OPWC Summit Street Sewer Project	\$ 19,851	\$ -	\$ (1,323)	\$ 18,528
OPWC Water Tower Design and Construction	22,669	-	(907)	21,762
OPWC N. Main Street Waterline Replacement	16,620	-	(692)	15,928
OPWC S. Main Street Waterline Replacement	38,534	-	(1,329)	37,205
OPWC Water System Improvements	-	58,005	-	58,005
Total	<u>\$ 97,674</u>	<u>\$ 58,005</u>	<u>\$ (4,251)</u>	<u>\$ 151,428</u>

  

<u>2012</u>	Balance at 12/31/2011	Proceeds	Retirements	Balance at 12/31/2012
OPWC Summit Street Sewer Project	\$ 22,497	\$ -	\$ (2,646)	\$ 19,851
OPWC Water Tower Design and Construction	24,483	-	(1,814)	22,669
OPWC N. Main Street Waterline Replacement	18,005	-	(1,385)	16,620
OPWC S. Main Street Waterline Replacement	41,191	-	(2,657)	38,534
Total	<u>\$ 106,176</u>	<u>\$ -</u>	<u>\$ (8,502)</u>	<u>\$ 97,674</u>

The Ohio Public Works Commission (OPWC) Summit Street Sewer Project loan relates to a storm sewer project. The OPWC approved a \$52,935 loan to the Village for this project. The loan will be repaid in semiannual installments of \$1,323, over 20 years. The loan is collateralized by general fund revenues. The OPWC Water Tower Design and Construction loan relates to a water tower project. The OPWC approved a loan of \$36,272 to the Village for this project. The loan will be repaid in semiannual installments of \$907, over 20 years. The loan is collateralized by water fund revenues. The OPWC N. Main Street Waterline Replacement loan relates to a waterline repair project. The OPWC approved a loan of \$27,700 to the Village for this project. The loan will be repaid in semiannual installments of \$692, over 20 years. The loan is collateralized by water fund revenues. The OPWC S. Main Street Waterline Replacement loan relates to a waterline repair project. The OPWC approved a loan of \$53,150 to the Village for this project. The loan will be repaid in semiannual installments of \$1,329, over 20 years. The loan is collateralized by water fund revenues. The OPWC Water System Improvements loan relates to various water system improvements. The OPWC approved a loan of \$58,005 for this project. The loan will be repaid in semiannual installments of \$1,450, over 20 years. The loan is collateralized by water fund revenues.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 6 - DEBT - (Continued)**

Amortization of the above debt is scheduled as follows:

Year Ending December 31,	OPWC - Summit Street Sewer Project		OPWC - Water Tower Design and Construction	
	Principal	Interest	Principal	Interest
2014	\$ 2,646	\$ -	\$ 1,814	\$ -
2015	2,646	-	1,814	-
2016	2,646	-	1,814	-
2017	2,646	-	1,814	-
2018	2,646	-	1,814	-
2019 - 2023	5,298	-	9,068	-
2024 - 2025	-	-	3,624	-
Total	<u>\$ 18,528</u>	<u>\$ -</u>	<u>\$ 21,762</u>	<u>\$ -</u>

Year Ending December 31,	OPWC - N. Main Street Waterline Replacement		OPWC - S. Main Street Waterline Replacement	
	Principal	Interest	Principal	Interest
2014	\$ 1,384	\$ -	\$ 2,658	\$ -
2015	1,384	-	2,658	-
2016	1,384	-	2,658	-
2017	1,384	-	2,658	-
2018	1,384	-	2,658	-
2019 - 2023	6,924	-	13,290	-
2024 - 2027	2,084	-	10,625	-
Total	<u>\$ 15,928</u>	<u>\$ -</u>	<u>\$ 37,205</u>	<u>\$ -</u>

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 6 - DEBT - (Continued)**

Year Ending December 31,	OPWC - Water System Improvements	
	Principal	Interest
2014	\$ 2,900	\$ -
2015	2,900	-
2016	2,900	-
2017	2,900	-
2018	2,900	-
2019 - 2023	14,501	-
2024 - 2028	14,502	-
2029 - 2033	14,502	-
Total	<u>\$ 58,005</u>	<u>\$ -</u>

**NOTE 7 - RETIREMENT SYSTEM**

The Village’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For the years ended December 31, 2013 and 2012, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants’ gross salaries for 2013 and 2012, respectively. At December 31, 2013, all amounts for the years ended 2013 and 2012 have been paid.

**NOTE 8 - RISK MANAGEMENT**

The Village of Pleasantville belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (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.

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 8 - RISK MANAGEMENT - (Continued)**

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, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2012 and 2011 respectively.

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 retained earnings at December 31, 2012 and 2011 (the latest information available).

	<u>2012</u>	<u>2011</u>
Assets	\$13,100,381	\$12,501,280
Liabilities	<u>(6,687,193)</u>	<u>(5,328,761)</u>
Members' Equity	<u>\$6,413,188</u>	<u>\$7,172,519</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 PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 - CONTINGENT LIABILITIES**

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

**NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLE**

For fiscal year 2012, the Village implemented Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", which are described in Note 1.F.

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**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 12 - INTERFUND ACTIVITY**

The Village had the following transfers for the year ended December 31, 2013:

<u>Fund Type/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 3,538
<u>Special Revenue Fund</u>		
Pool, Parks, and Recreation	2,215	-
<u>Debt Service Fund</u>		
CQ22D Note Retirement	1,323	-
Total	<u>\$ 3,538</u>	<u>\$ 3,538</u>

The Village had the following transfers for the year ended December 31, 2012:

<u>Fund Type/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 11,181
<u>Special Revenue Fund</u>		
Pool, Parks, and Recreation	8,535	-
<u>Debt Service Fund</u>		
CQ22D Note Retirement	2,646	-
Total	<u>\$ 11,181</u>	<u>\$ 11,181</u>

The above transfers were made in accordance with the Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.



**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 12 - INTERFUND ACTIVITY - (Continued)**

The Village had the following advances for the year ended December 31, 2013:

<u>Fund Type/Fund</u>	<u>Advances In</u>	<u>Advances Out</u>
General	<u>\$ 4,919</u>	<u>\$ 4,919</u>
<u>Special Revenue Fund</u>		
Pool, Parks, and Recreation	<u>4,919</u>	<u>4,919</u>
Total	<u><u>\$ 9,838</u></u>	<u><u>\$ 9,838</u></u>



## Julian & Grube, Inc.

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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

Village of Pleasantville  
Fairfield County  
P.O. Box 193  
Pleasantville, Ohio 43148

To the Members of Council and Mayor:

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 Village of Pleasantville, Fairfield County, Ohio, as of and for the years ended December 31, 2013 and 2012 and the related notes to the financial statements and have issued our report thereon dated July 22, 2014, wherein we noted the Village of Pleasantville followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. In addition, as discussed in Note 10, the Village of Pleasantville adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

#### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village of Pleasantville'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 of Pleasantville'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 of Pleasantville's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Members of Council and Mayor  
Village of Pleasantville

***Compliance and Other Matters***

As part of reasonably assuring whether the Village of Pleasantville'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 statements 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 of Pleasantville's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Pleasantville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
July 22, 2014

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# Dave Yost • Auditor of State

VILLAGE OF PLEASANTVILLE

FAIRFIELD 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 18, 2014