
ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

VILLAGE OF SEVILLE

MEDINA COUNTY

A&A
REGULAR AUDIT

For the Years Ended

December 31, 2019 and 2018

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North Canton, OH 44720
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OHIO AUDITOR OF STATE
KEITH FABER



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Members of Council
Village of Seville
120 Royal Crest Drive
Seville, OH 44273

We have reviewed the *Independent Auditor's Report* of the Village of Seville, Medina County, prepared by Alger & Associates, Inc., 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 Seville 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

July 16, 2020

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**VILLAGE OF SEVILLE
MEDINA COUNTY**

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ALGER & ASSOCIATES, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Village of Seville
Medina County
120 Royal Crest Drive
Seville, OH 44273

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Seville, Medina County, Ohio (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.

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.

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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 Seville, Medina 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 12 to the financial statements, during 2019, 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 his matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 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.

Karen S
Alger, CPA

Digitally signed by Karen S Alger,
CPA
DN: cn=Karen S Alger, CPA, o=Alger
& Associates, Inc, ou,
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Date: 2020.06.27 10:25:03 -0400

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

June 9, 2020

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

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$288,003	\$124,833			\$412,836
Municipal Income Taxes	1,197,987				1,197,987
Intergovernmental	105,676	274,557		\$28,858	409,091
Special Assessments		4,000			4,000
Charges for Services		45			45
Fines, Licenses and Permits	13,539				13,539
Earnings on Investments	38,061	8,490	\$117		46,668
Miscellaneous	310,367	29,777		1,000	341,144
<i>Total Cash Receipts</i>	<u>1,953,633</u>	<u>441,702</u>	<u>117</u>	<u>29,858</u>	<u>2,425,310</u>
Cash Disbursements					
Current:					
Security of Persons and Property		799,642			799,642
Public Health Services	1,711				1,711
Leisure Time Activities	131,343	10,868			142,211
Community Environment	14,697	22,000			36,697
Transportation	3,500	488,292			491,792
General Government	360,052				360,052
Capital Outlay		10,605		45,025	55,630
Debt Service:					
Redemption of Principal		31,843	\$86,369		118,212
Interest and Other Fiscal Charges		1,042	31,031		32,073
<i>Total Cash Disbursements</i>	<u>511,303</u>	<u>1,364,292</u>	<u>117,400</u>	<u>45,025</u>	<u>2,038,020</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,442,330</u>	<u>(922,590)</u>	<u>(117,283)</u>	<u>(15,167)</u>	<u>387,290</u>
Other Financing Receipts (Disbursements)					
Transfers In		845,402	117,400	121,943	1,084,745
Transfers Out	(1,383,543)				(1,383,543)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,383,543)</u>	<u>845,402</u>	<u>117,400</u>	<u>121,943</u>	<u>(298,798)</u>
<i>Net Change in Fund Cash Balances</i>	58,787	(77,188)	117	106,776	88,492
<i>Fund Cash Balances , January 1</i>	942,156	177,743	135,478	534,226	1,789,603
Fund Cash Balances , December 31					
Nonspendable	7,957				7,957
Restricted		100,555	135,595	266,162	502,312
Committed	9,960			374,840	384,800
Assigned	935,137				935,137
Unassigned	47,889				47,889
<i>Fund Cash Balances , December 31</i>	<u>\$1,000,943</u>	<u>\$100,555</u>	<u>\$135,595</u>	<u>\$641,002</u>	<u>\$1,878,095</u>

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

Village of Seville, Ohio
Medina County
Combined Statement of Receipts, Disbursements and Changes in Fund
Fund Balance (Cash Basis) - All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2019

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Custodial	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$9,359,419		\$9,359,419
Operating Cash Disbursements			
Personal Services	750,284		750,284
Fringe Benefits	347,025		347,025
Contractual Services	6,928,692		6,928,692
Supplies and Materials	112,413		112,413
Other	1,730	\$31,388	33,118
<i>Total Operating Cash Disbursements</i>	<u>8,140,144</u>	<u>31,388</u>	<u>8,171,532</u>
<i>Operating Income (Loss)</i>	<u>1,219,275</u>	<u>(31,388)</u>	<u>1,187,887</u>
Non-Operating Receipts (Disbursements)			
Miscellaneous Receipts		57,700	57,700
Capital Outlay	(592,163)		(592,163)
Principal Retirement	(293,878)		(293,878)
Interest and Other Fiscal Charges	(65,492)		(65,492)
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<u>(951,533)</u>	<u>57,700</u>	<u>(893,833)</u>
<i>Income (Loss) before Transfers</i>	267,742	26,312	294,054
Transfers In	298,798	-	298,798
<i>Net Change in Fund Cash Balances</i>	566,540	26,312	592,852
<i>Fund Cash Balances, January 1</i>	<u>6,140,963</u>	<u>146,957</u>	<u>6,287,920</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$6,707,503</u></u>	<u><u>\$173,269</u></u>	<u><u>\$6,880,772</u></u>

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

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Village of Seville, Medina 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. A publicly elected six-member Council directs the Village. The Village provides water, sewer, and electric utilities, park operations, road and bridge maintenance, and police services. The Village contracts with Guilford Township to receive fire protection services.

Joint Ventures and Public Entity Risk Pool

The Village participates in joint ventures and a public entity risk pool. Notes 6 and 10 to the financial statements provides additional information for these entities which include:

Joint Ventures:

Ohio Municipal Electric Generation Agency (OMEGA JV2)
Ohio Municipal Electric Generation Agency Joint Venture (OMEGA JV5)

Public Entity Risk Pool:

Public Entities Pool of Ohio (PEP)

The Village's management believes these financial statements present all activities for which the Village is financially accountable, except the financial statements do not include debt service funds external custodians maintain. Note 10 to the financial statements describes these assets.

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 revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

Police Levy Fund This fund accounts for and reports tax levy transactions restricted for operations and training of the Police Department.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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

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 significant Debt Service Funds:

General Obligation Bond Retirement Fund This fund receives transfers for payments of principal and interest on outstanding bond debt.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Street Capital Projects Fund This fund receives transfers for and reports major permanent street repairs and major capital purchases of street equipment.

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

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

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

Electric Fund The electric fund accounts for the provision of electric services to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary funds include private purpose trust funds and custodial 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 does not have trust funds.

Custodial 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 custodial funds accounts for utility deposits and unclaimed funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (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.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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 individual 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.

The Village values its investment in repurchase agreements and governmental bonds at cost.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

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	\$1,800,624	\$1,953,633	\$153,009
Special Revenue	1,580,654	1,287,104	(293,550)
Debt Service	120,000	117,517	(2,483)
Capital Projects	159,343	151,801	(7,542)
Enterprise	10,149,140	9,658,217	(490,923)
Total	\$13,809,761	\$13,168,272	(\$641,489)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,421,888	\$1,896,745	\$525,143
Special Revenue	1,760,052	1,395,877	364,175
Debt Service	121,486	117,400	4,086
Capital Projects	689,041	45,025	644,016
Enterprise	11,220,511	9,111,281	2,109,230
Total	\$16,212,978	\$12,566,328	\$3,646,650

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments

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

	<u>2019</u>
Demand deposits	\$8,627,358
Investments:	
Summit County Port Authority Bonds	<u>131,509</u>
Total deposits and investments	<u><u>\$8,758,867</u></u>

Deposits

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

Investments

The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name. A financial institution's trust department holds the Village's investment in the Summit County Port Authority Bonds in book entry form in the Village's name.

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.

Local Income Tax

The Village levies 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.

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.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 - Risk Management

Risk Pool Membership

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

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

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

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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 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.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 7 - Defined Benefit Pension Plans *(continued)*

Social Security

Other Village employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Note 9 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
OPWC Loan (CI43J)	\$10,408	0%
OPWC Loan (CI18H)	144,916	0%
OPWC - EQ Basin (CI320)	487,652	0%
Development Revenue Bonds	875,000	5.1%
OWDA - EQ Basin (6183)	654,059	2.0%
OWDA - EQ Basin (7744)	@ 2,767,076	2.0%
Total	\$4,939,111	

@ OWDA adjusted the principal down by \$1,148 in 2019

The enterprise financial statement's principal retirement includes \$70,314 of JV5 Debt not reflected in this Outstanding Debt Schedule.

The Ohio Public Works Commission (OPWC) Loan #CI43J relates to a \$26,021 general street reconstruction project. The loan payments have been made in semi-annual installments since July 1, 2008. The semi-annual payments total \$650, and will be fully retired on January 1, 2028.

The Ohio Public Works Commission (OPWC) Loan #CI18H relates to a \$386,442 water treatment plant upgrade project. The loan payments have been made in semi-annual installments since January 1, 2008. The semi-annual payments total \$9,661 and will be fully retired on July 1, 2027. The loan will be paid from the Water Operating Fund.

The Ohio Public Works Commission (OPWC) EQ Basin Loan #CI320 relates to \$585,182 flow equalization basin and waste water treatment improvements. The loan payments will be made on a semi-annual basis, and the initial semi-annual payment of \$9,753 was made July 1, 2015. The loan will be fully retired on January 1, 2045. Loan payments will be paid from the Sewer Operating Fund.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt (continued)

The Development Revenue Bonds relate to a series of bonds issued by the Summit County Port Authority in the amount of \$2,030,000 which the Village utilized for Town Hall renovations and upgrades to a water filtration plant. The bond payments have been made in annual installments since May 15, 2006. The monthly payments including interest range from approximately \$13,754 to \$14,381. The bonds will be fully retired on October 15, 2024. The bonds will be paid from the General Obligation Bond Retirement Fund, and the Water Operating Fund.

The Ohio Water Development Authority (OWDA) EQ Basin Loan #6183 relates to a \$942,703 water facility construction project. The loan payments have been made in semi-annual installments beginning July 1, 2013. The semi-annual payments including interest total \$57,312 and will be fully retired on January 1, 2033. The loan will be paid from the Sewer Operating Fund.

The Ohio Water Development Authority (OWDA) EQ Basin Loan #7744 relates to a \$2,957,104 for Water Distribution System and Roadways. The Village will repay the loan in semi-annual installments of principal and interest of \$86,930 over 20 years. The loan will be repaid by July, 2038 and paid from the State Highway Fund at 24.82%, the Sanitary Sewer Fund at .20%, the Storm Sewer Fund at 6.89% and Water Operating Fund at 68.09%.

Amortization

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

Year Ending December 31:	OPWC Loan	OWDA Loan #6183	OWDA Loan #7744	Development Refund Bonds
2020	\$40,129	\$57,312	\$173,859	\$172,572
2021	40,129	57,312	173,859	172,572
2022	40,129	57,312	173,859	172,572
2023	40,129	57,312	173,859	172,572
2024	40,129	57,312	173,859	172,572
2025-2029	149,728	286,561	869,295	146,492
2030-2034	97,530	200,593	869,295	
2035-2039	97,530		695,437	
2040-2044	97,543			
Total	\$642,976	\$773,714	\$3,303,322	\$1,009,352

American Municipal Power Generating Station Project

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village’s project share was 3,848 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.50 percent project share. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP’s pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village’s estimated share of the impaired costs at March 31, 2014 was \$667,579. The Village received a credit of \$151,522 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$174,025 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). In addition, the Village made payments totaling \$68,716 leaving an estimated net impaired cost balance of \$273,316. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village’s net impaired cost balance.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt *(continued)*

These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014 the Village has made payments of \$133,850 to AMP toward its net impaired cost estimate. Also, since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$8,081 and interest expense incurred on AMP's line-of-credit of \$21,421 resulting in a net impaired cost estimate at December 31, 2019 of \$168,968. The Village does have a potential PHFU Liability of \$131,438 resulting in a net total potential liability of \$300,406, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The Village intends to recover these costs and repay AMP over the next 10 years through a power cost adjustment.

Note 10 – Joint Ventures

OMEGA JV2

The Village of Seville is a Non-Financing Participant and an Owner Participant with percentages of liability and ownership of 0.80% and shares participation with thirty-six other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions or OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the JV2 Agreement.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081 MW is the participants' entitlement and 4.569 MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20-year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility.

As of December 31, 2019, the outstanding debt was \$0. The Village's net obligation for this amount at December 31, 2019 was \$0. The Village's net investment in OMEGA JV2 was \$25,613 at December 31, 2019. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Joint Ventures *(continued)*

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2019 are:

OMEGA JV2					
Municipality	Project kW Entitlement	Percent Project Ownership and Entitlement	Municipality	Project kW Entitlement	Percent Project Ownership and Entitlement
Hamilton	32,000	23.87%	Grafton	1,056	0.79%
Bowling Green	19,198	14.32%	Brewster	1,000	0.75%
Niles	15,400	11.48%	Monroeville	764	0.57%
Cuyahoga Falls	10,000	7.46%	Milan	737	0.55%
Wadsworth	7,784	5.81%	Oak Harbor	737	0.55%
Painesville	7,000	5.22%	Elmore	364	0.27%
Dover	7,000	5.22%	Jackson Center	300	0.22%
Galion	5,753	4.29%	Napoleon	264	0.20%
Amherst	5,000	3.73%	Lodi	218	0.16%
St. Mary's	4,000	2.98%	Genoa	199	0.15%
Montpelier	4,000	2.98%	Pemberville	197	0.15%
Shelby	2,536	1.89%	Lucas	161	0.12%
Versailles	1,660	1.24%	South Vienna	123	0.09%
Edgerton	1,460	1.09%	Bradner	119	0.09%
Yellow Springs	1,408	1.05%	Woodville	81	0.06%
Oberlin	1,217	0.91%	Haskins	73	0.05%
Pioneer	1,158	0.86%	Arcanum	44	0.03%
Seville	1,066	0.80%	Custar	4	0.00%
	<u>127,640</u>	<u>95.20%</u>		<u>6,441</u>	<u>4.80%</u>
			Grand Total	<u>134,081</u>	<u>100.00%</u>

OMEGA JV5

The Village of Seville is a Financing Participant with an ownership percentage of 0.82%, and shares participation with forty-two other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (“Agreement”), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed, or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40 MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operation to OMEGA JV5 Participants.

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (“Certificates”) from the revenue of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant’s system, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

OMEGA JV5 *(continued)*

On dissolution of OMEGA JV5, the net position will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees, and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2019, the Village has met their debt obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed without consent of the non-defaulting JV Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001, AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004, the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. OMEGA JV5 issued \$49,745,000 Beneficial Interest Refunding Certificates, Series 2015 ("2016 Certificates") to refund the promissory note to AMP in full on January 19, 2017. The outstanding amount of the promissory note had been reduced to \$49,243,377 at the time of refunding. AMP will continue to collect debt service from the OMEGA JV5 participants until the note is paid in full.

The Village's net investment to date in OMEGA JV5 was \$24,472 at December 31, 2019. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Note 11 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 10. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements.

Summary financial information for the Electric Fund is presented as follows:

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 11 – AMP Revenue Coverage *(continued)*

	<u>2019</u>
Total Fund Cash Balance	\$4,896,890
Total Long-Term Debt	\$483,371
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	8,088,467
Operating Expenses	
Personal Services	454,590
Employee Fringe Benefits	209,951
Contractual Services	6,819,993
Supplies and Materials	34,417
Other	<u>732</u>
Total Operating Expenses	7,519,683
Operating Income (Loss)	568,784
Nonoperating Receipts (Disbursements)	
Principal Payments	(70,314)
Interest Payments	(3,701)
Other Nonoperating Disbursements	<u>(278,828)</u>
Total Nonoperating Receipts (Disbursements)	(352,843)
Transfers	<u>298,798</u>
Change in Fund Cash Balance	514,739
Beginning Fund Cash Balance	<u>4,382,151</u>
Ending Fund Cash Balance	<u><u>\$4,896,890</u></u>
 Condensed Cash Flows Information:	
	<u>2019</u>
Net Cash Provided (Used) by:	
Operating Activities	\$568,784
Noncapital Financing Activities	
Principal Payments on Noncapital Debt	(70,314)
Interest Payments on Noncapital Debt	(3,701)
Other Noncapital Financing Activities	<u>19,970</u>
Net Cash Provided (Used) by Noncapital Financing Activities	(54,045)
Net Increase (Decrease)	514,739
Beginning Fund Cash Balance	<u>4,382,151</u>
Ending Fund Cash Balance	<u><u>\$4,896,890</u></u>

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 12 – 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, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 13 – Transfer of funds

During 2019 the following transfers were made:

Transfer to:	Transfer From:
	General Fund
Street Construction Maint & Repair Fund	\$70,000
State Highway Fund	111,402
Police Levy Fund	664,000
GO Bond Retirement Fund	117,400
Streets Capital Projects Fund	88,693
Police Capital Project Fund	33,250
Electric Operating Fund	298,798
	<u>\$1,383,543</u>

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 14 - Contingent Liabilities

The Village was not part of any lawsuits in 2019.

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Village of Seville, Ohio
Medina County
Combined Statement of Receipts, Disbursements and Changes in Fund
Balances - (Cash Basis) All Governmental Fund Types
For the Year Ended December 31, 2018

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts					
Property and Other Local Taxes	\$280,587	\$116,756			\$397,343
Municipal Income Taxes	1,099,564				1,099,564
Intergovernmental	86,864	254,456		\$30,616	371,936
Fines, Licenses and Permits	16,726				16,726
Earnings on Investments	19,544	2,465			22,009
Miscellaneous	330,988	37,285		9,500	377,773
<i>Total Cash Receipts</i>	<u>1,834,273</u>	<u>410,962</u>	<u>0</u>	<u>40,116</u>	<u>2,285,351</u>
Cash Disbursements					
Current:					
Security of Persons and Property		726,758			726,758
Public Health Services	1,499				1,499
Leisure Time Activities	124,745	652			125,397
Community Environment	13,040	14,646			27,686
Transportation		449,916			449,916
General Government	388,444				388,444
Capital Outlay		253,230		172,881	426,111
Debt Service:					
Redemption of Principal		17,638	\$88,667		106,305
Interest and Other Fiscal Charges		10,570	30,093		40,663
<i>Total Cash Disbursements</i>	<u>527,728</u>	<u>1,473,410</u>	<u>118,760</u>	<u>172,881</u>	<u>2,292,779</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,306,545</u>	<u>(1,062,448)</u>	<u>(118,760)</u>	<u>(132,765)</u>	<u>(7,428)</u>
Other Financing Receipts (Disbursements)					
Loan Proceeds		254,015			254,015
Transfers In		780,102	118,760	71,590	970,452
Transfers Out	(1,289,046)				(1,289,046)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,289,046)</u>	<u>1,034,117</u>	<u>118,760</u>	<u>71,590</u>	<u>(64,579)</u>
<i>Net Change in Fund Cash Balances</i>	17,499	(28,331)	-	(61,175)	(72,007)
<i>Fund Cash Balances , January 1</i>	<u>924,657</u>	<u>206,074</u>	<u>135,478</u>	<u>595,401</u>	<u>1,861,610</u>
Fund Cash Balances , December 31					
Nonspendable	7,476				7,476
Restricted		177,743	135,478	203,036	516,257
Committed	9,750			331,190	340,940
Assigned	620,729				620,729
Unassigned	304,201				304,201
<i>Fund Cash Balances , December 31</i>	<u>\$942,156</u>	<u>\$177,743</u>	<u>\$135,478</u>	<u>\$534,226</u>	<u>\$1,789,603</u>

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

Village of Seville, Ohio
Medina County
Combined Statement of Receipts, Disbursements and Changes in Fund
Fund Balance (Cash Basis) - All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2018

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$9,794,343		\$9,794,343
Operating Cash Disbursements			
Personal Services	750,569		750,569
Fringe Benefits	383,306		383,306
Contractual Services	7,797,177		7,797,177
Supplies and Materials	136,959		136,959
Other	3	\$23,350	23,353
<i>Total Operating Cash Disbursements</i>	<u>9,068,014</u>	<u>23,350</u>	<u>9,091,364</u>
<i>Operating Income (Loss)</i>	<u>726,329</u>	<u>(23,350)</u>	<u>702,979</u>
Non-Operating Receipts (Disbursements)			
Miscellaneous Receipts		29,300	29,300
Loan Proceeds	769,304		769,304
Capital Outlay	(1,595,726)		(1,595,726)
Principal Retirement	(251,031)		(251,031)
Interest and Other Fiscal Charges	(63,036)		(63,036)
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<u>(1,140,489)</u>	<u>29,300</u>	<u>(1,111,189)</u>
<i>Income (Loss) before Transfers</i>	(414,160)	5,950	(408,210)
Transfers In	<u>318,594</u>	<u>-</u>	<u>318,594</u>
<i>Net Change in Fund Cash Balances</i>	(95,566)	5,950	(89,616)
<i>Fund Cash Balances, January 1</i>	<u>6,236,529</u>	<u>141,007</u>	<u>6,377,536</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$6,140,963</u></u>	<u><u>\$146,957</u></u>	<u><u>\$6,287,920</u></u>

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

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of Seville, Medina 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. A publicly elected six-member Council directs the Village. The Village provides water, sewer, and electric utilities, park operations, road and bridge maintenance, and police services. The Village contracts with Guilford Township to receive fire protection services.

Joint Ventures and Public Entity Risk Pool

The Village participates in joint ventures and a public entity risk pool. Notes 6 and 10 to the financial statements provides additional information for these entities which include:

Joint Ventures:

Ohio Municipal Electric Generation Agency (OMEGA JV2)
Ohio Municipal Electric Generation Agency Joint Venture (OMEGA JV5)

Public Entity Risk Pool:

Public Entities Pool of Ohio (PEP)

The Village's management believes these financial statements present all activities for which the Village is financially accountable, except the financial statements do not include debt service funds external custodians maintain. Note 10 to the financial statements describes these assets.

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 revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

Police Levy Fund This fund accounts for and reports tax levy transactions restricted for operations and training of the Police Department.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

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

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 significant Debt Service Funds:

General Obligation Bond Retirement Fund This fund receives transfers for payments of principal and interest on outstanding bond debt.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Street Capital Projects Fund This fund receives transfers for and reports major permanent street repairs and major capital purchases of street equipment.

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

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

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

Electric Fund The electric fund accounts for the provision of electric services to the residents and commercial users within the Village.

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 does not have 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 funds accounts for utility deposits and unclaimed funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (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.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Budgetary Process

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

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

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

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

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.

The Village values its investment in repurchase agreements and governmental bonds at cost.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

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	\$1,656,300	\$1,834,273	\$177,973
Special Revenue	1,310,885	1,445,079	134,194
Debt Service	120,000	118,760	(1,240)
Capital Projects	106,660	111,706	5,046
Enterprise	9,593,000	10,882,241	1,289,241
Total	<u>\$12,786,845</u>	<u>\$14,392,059</u>	<u>\$1,605,214</u>

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,075,347	\$1,817,309	\$258,038
Special Revenue	1,485,288	1,474,089	11,199
Debt Service	119,200	118,760	440
Capital Projects	695,575	172,881	522,694
Enterprise	11,468,985	11,037,531	431,454
Total	<u>\$15,844,395</u>	<u>\$14,620,570</u>	<u>\$1,223,825</u>

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 4 – Deposits and Investments

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

	<u>2018</u>
Demand deposits	\$7,946,004
Investments:	
Summit County Port Authority Bonds	<u>131,519</u>
Total deposits and investments	<u><u>\$8,077,523</u></u>

Deposits

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

Investments

The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name. A financial institution's trust department holds the Village's investment in the Summit County Port Authority Bonds in book entry form in the Village's name.

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.

Local Income Tax

The Village levies 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.

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.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 - Risk Management

Risk Pool Membership

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

The Village insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities, and net position at December 31, 2017.

2017	
Assets	\$44,452,326
Liabilities	<u>(13,004,011)</u>
Net Position	\$31,448,315

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Village's share of these unpaid claims collectible in future years is approximately \$29,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

2018 Contributions to PEP
\$56,975

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also, upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

Social Security

Other Village employees contributed to social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 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 OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
OPWC Loan (CI43J)	\$11,709	0%
OPWC Loan (CI18H)	164,239	0%
OPWC Loan (CI48B)	11,544	0%
OPWC - EQ Basin (CI320)	507,158	0%
Development Revenue Bonds	998,333	5.1%
OWDA - EQ Basin (6183)	697,771	1.98%
OWDA - EQ Basin (7744)	@ 2,891,281	1.63%
Total	\$5,282,035	

@ The 2017 audit report inadvertently left out the \$1,933,785 new OWDA loan within the outstanding debt schedule.

The enterprise financial statement's principal retirement includes \$70,314 of JV5 Debt not reflected in this Outstanding Debt Schedule.

The Ohio Public Works Commission (OPWC) Loan #CI43J relates to a \$26,021 general street reconstruction project. The loan payments have been made in semi-annual installments since July 1, 2008. The semi-annual payments total \$650, and will be fully retired on January 1, 2028.

The Ohio Public Works Commission (OPWC) Loan #CI18H relates to a \$386,442 water treatment plant upgrade project. The loan payments have been made in semi-annual installments since January 1, 2008. The semi-annual payments total \$9,661 and will be fully retired on July 1, 2027. The loan will be paid from the Water Operating Fund.

The Ohio Public Works Commission (OPWC) Loan #CI48B relates to a \$230,882 waste water treatment improvement project. The loan payments have been made in semi-annual installments since July 1, 2000. The semi-annual payments total \$11,544 and will be fully retired on January 1, 2020. The loan will be paid from the Sewer Operating Fund.

The Ohio Public Works Commission (OPWC) EQ Basin Loan #CI320 relates to \$585,182 flow equalization basin and waste water treatment improvements. The loan payments will be made on a semi-annual basis, and the initial semi-annual payment of \$9,753 was made July 1, 2015. The loan will be fully retired on January 1, 2045. Loan payments will be paid from the Sewer Operating Fund.

The Development Revenue Bonds relate to a series of bonds issued by the Summit County Port Authority in the amount of \$2,030,000 which the Village utilized for Town Hall renovations and upgrades to a water filtration plant. The bond payments have been made in annual installments since May 15, 2006. The monthly payments including interest range from approximately \$13,754 to \$14,381. The bonds will be fully retired on October 15, 2024. The bonds will be paid from the General Obligation Bond Retirement Fund, and the Water Operating Fund.

The Ohio Water Development Authority (OWDA) EQ Basin Loan #6183 relates to a \$942,703 water facility construction project. The loan payments have been made in semi-annual installments beginning July 1, 2013. The semi-annual payments including interest total \$57,312 and will be fully retired on January 1, 2033. The loan will be paid from the Sewer Operating Fund.

The Ohio Water Development Authority (OWDA) EQ Basin Loan #7744 relates to a \$2,957,104 for Water Distribution System and Roadways. The Village will repay the loan in semi-annual installments of principal and interest of \$86,930 over 20 years. The loan will be repaid by July, 2038 and paid from the State Highway Fund at 24.82%, the Sanitary Sewer Fund at .20%, the Storm Sewer Fund at 6.89% and Water Operating Fund at 68.09%.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Debt *(continued)*

Amortization

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

Year Ending December 31:	OPWC Loan	OWDA Loan #6183	OWDA Loan #7744	Development Refund Bonds
2019	\$51,673	\$57,312	\$173,859	\$172,572
2020	40,129	57,312	173,859	172,572
2021	40,129	57,312	173,859	172,572
2022	40,129	57,312	173,859	172,572
2023	40,129	57,312	173,859	172,572
2024-2028	170,363	286,561	869,295	319,064
2029-2033	97,530	257,905	869,295	
2034-2038	97,530		869,295	
2039-2043	97,530			
2044-2045	19,508			
Total	<u>\$694,650</u>	<u>\$831,026</u>	<u>\$3,477,180</u>	<u>\$1,181,924</u>

(a)

(a) 2017 audit report's debt amortization reflected 2% rather than 5.1% interest rate

American Municipal Power Generating Station Project

The Village is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's project share was 3,848 kilowatts (kW) of a total 771,281 kW, giving the Village a 0.50 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village's estimated share of the impaired costs at March 31, 2014 was \$667,579. The Village received a credit of \$151,522 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$174,025 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). In addition, the Village made payments totaling \$68,716 leaving an estimated net impaired cost balance of \$273,316. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the Village's net impaired cost balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

American Municipal Power Generating Station Project (continued)

Since March 31, 2014 the Village has made payments of \$115,629 to AMP toward its net impaired cost estimate. Also, since March 31, 2014, the Village's allocation of additional costs incurred by the project is \$7,993 and interest expense incurred on AMP's line-of-credit of \$16,033 resulting in a net impaired cost estimate at December 31, 2018 of \$181,713. The Village does have a potential PHFU Liability of \$139,105 resulting in a net total potential liability of \$320,816, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the Village's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The Village intends to recover these costs and repay AMP over the next 11 years through a power cost adjustment.

Note 10 – Joint Ventures

OMEGA JV2

The Village of Seville is a Non-Financing Participant and an Owner Participant with percentages of liability and ownership of 0.80% and shares participation with thirty-six other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions or OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the JV2 Agreement.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge, and collect rates, fees, and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2018, the Village of Lodi has met its debt coverage obligation.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081 MW is the participants' entitlement and 4.569 MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20-year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility.

As of December 31, 2018, the outstanding debt was \$0. The Village's net obligation for this amount at December 31, 2018 was \$0. The Village's net investment in OMEGA JV2 was \$53,081 at December 31, 2018. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 – Joint Ventures *(continued)*

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2018 are:

OMEGA JV2					
Municipality	Project kW Entitlement	Percent Project Ownership and Entitlement	Municipality	Project kW Entitlement	Percent Project Ownership and Entitlement
Hamilton	32,000	23.87%	Grafton	1,056	0.79%
Bowling Green	19,198	14.32%	Brewster	1,000	0.75%
Niles	15,400	11.48%	Monroeville	764	0.57%
Cuyahoga Falls	10,000	7.46%	Milan	737	0.55%
Wadsworth	7,784	5.81%	Oak Harbor	737	0.55%
Painesville	7,000	5.22%	Elmore	364	0.27%
Dover	7,000	5.22%	Jackson Center	300	0.22%
Galion	5,753	4.29%	Napoleon	264	0.20%
Amherst	5,000	3.73%	Lodi	218	0.16%
St. Mary's	4,000	2.98%	Genoa	199	0.15%
Montpelier	4,000	2.98%	Pemberville	197	0.15%
Shelby	2,536	1.89%	Lucas	161	0.12%
Versailles	1,660	1.24%	South Vienna	123	0.09%
Edgerton	1,460	1.09%	Bradner	119	0.09%
Yellow Springs	1,408	1.05%	Woodville	81	0.06%
Oberlin	1,217	0.91%	Haskins	73	0.05%
Pioneer	1,158	0.86%	Arcanum	44	0.03%
Seville	1,066	0.80%	Custar	4	0.00%
	<u>127,640</u>	<u>95.20%</u>		<u>6,441</u>	<u>4.80%</u>
			Grand Total	<u>134,081</u>	<u>100.00%</u>

OMEGA JV5

The Village of Seville is a Financing Participant with an ownership percentage of 0.82%, and shares participation with forty-two other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (“Agreement”), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed, or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40 MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operation to OMEGA JV5 Participants.

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (“Certificates”) from the revenue of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant’s system, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System.

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

OMEGA JV5 *(continued)*

On dissolution of OMEGA JV5, the net position will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees, and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2018, the Village has met their debt obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed without consent of the non-defaulting JV Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001, AMP issued \$153,415,000 and \$13,899,981 respectively of 30-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004, the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. OMEGA JV5 issued \$49,745,000 Beneficial Interest Refunding Certificates, Series 2015 ("2016 Certificates") to refund the promissory note to AMP in full on January 19, 2017. The outstanding amount of the promissory note had been reduced to \$49,243,377 at the time of refunding. AMP will continue to collect debt service from the OMEGA JV5 participants until the note is paid in full.

The Village's net investment to date in OMEGA JV5 was \$24,472 at December 31, 2018. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

Note 11 – AMP Revenue Coverage

To provide electric service to the citizens, the Village is a member of Ohio Municipal Electric Generation Agency (OMEGA) Joint Ventures as described in Note 10. The Village is liable for debt related to the financing of the OMEGA joint ventures. The activity is accounted for in the Village's Electric Fund, which is reported as part of the combined Enterprise Fund Type in the financial statements.

Summary financial information for the Electric Fund is presented below:

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 11 – AMP Revenue Coverage *(continued)*

	2018
Total Fund Cash Balance	\$4,382,151
Total Long-Term Debt	\$527,107
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	8,634,337
Operating Expenses	
Personal Services	455,473
Employee Fringe Benefits	255,618
Contractual Services	7,670,885
Supplies and Materials	32,865
Total Operating Expenses	8,414,841
Operating Income (Loss)	219,496
Nonoperating Receipts (Disbursements)	
Principal Payments	(70,314)
Interest Payments	(3,701)
Other Nonoperating Disbursements	(213,793)
Total Nonoperating Receipts (Disbursements)	(287,808)
Transfers	318,594
Change in Fund Cash Balance	250,282
Beginning Fund Cash Balance	4,131,869
Ending Fund Cash Balance	\$4,382,151

Condensed Cash Flows Information:

	2018
Net Cash Provided (Used) by:	
Operating Activities	\$219,496
Noncapital Financing Activities	
Principal Payments on Noncapital Debt	(70,314)
Interest Payments on Noncapital Debt	(3,701)
Other Noncapital Financing Activities	104,801
Net Cash Provided (Used) by Noncapital Financing Activities	30,786
Net Increase (Decrease)	250,282
Beginning Fund Cash Balance	4,131,869
Ending Fund Cash Balance	\$4,382,151

VILLAGE OF SEVILLE, Ohio
Medina County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 12 – Transfer of funds

During 2018 the following transfers were made:

Transfer to:	Transfer From: General Fund
Street Construction Maint & Repair Fund	\$130,000
State Highway Fund	59,102
Police Levy Fund	591,000
GO Bond Retirement Fund	118,760
Streets Capital Projects Fund	182
Park Capital Project Fund	26,709
Police Capital Project Fund	44,699
Electric Operating Fund	318,594
	<u>\$1,289,046</u>

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 13 – Contingent Liabilities

The Village was not part of any lawsuits in 2018.



ALGER & ASSOCIATES, Inc.
Certified Public Accountants

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

Village of Seville
Medina County
120 Royal Crest Drive
Seville, OH 44273

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 Seville, Medina County, (the Village) as of and for the years ended December 31, 2019 and December 31, 2018, and the related notes to the financial statements and have issued our report thereon dated June 9, 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. In addition, as disclosed in Note 12, the United States and the State of Ohio declared a state of emergency in March, 2020 due to the COVID-19 pandemic. The ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

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 a 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. We consider findings 2019-001 through 2019-003 described in the accompanying schedule of findings to be material weaknesses.

A significant deficiency is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2019-004 described in the accompanying schedule of findings to be a significant deficiency.

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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 2019-001.

Purpose of this Report

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

**Karen S
Alger, CPA**

Digitally signed by Karen S Alger,
CPA
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Alger & Associates, Inc.

Certified Public Accountants

North Canton, Ohio

June 9, 2020

VILLAGE OF SEVILLE, Ohio
Medina County

SCHEDULE OF FINDINGS
December 31, 2018 - 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2019-001

Noncompliance Finding / Material Weakness - Ohio Water Development Authority Loan

Ohio Rev. Code § 5705.42 requires in part, when the state or any department, division, agency authority or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, the amount is deemed appropriated and shall be recorded by the subdivision. **Ohio Rev. Code § 5705.39** requires total appropriations from each fund to not exceed total estimated fund resources from each fund. The proper accounting treatment for these on-behalf-of expenditures is to record the expenditure in the fund(s) accounting for the project that will be repaying the loan and to record a corresponding receipt of loan proceeds in the same fund(s). The certificate of estimated resources should be amended to reflect the loan proceeds and both appropriations and estimated resources should also be updated in the accounting system.

The Village received an original loan from the Ohio Water Development Authority (OWDA) in the amount of \$2,957,104. In calendar year 2018, OWDA disbursed payments directly to the vendor on the Village's behalf totaling \$1,023,319. The loan is being repaid from the State Highway Fund, Water Operating Fund, Sewer Operating Fund, and the Storm Sewer Operating Fund based the Engineer's estimates of related costs.

The 2018 financial statements were adjusted for the following items related to this loan:

- Of the \$1,023,319 the Fiscal Officer booked \$39,761 incorrectly as follows:
 - The Fiscal Officer booked \$5,926 as Intergovernmental revenue and the expenditure as Transportation rather than Loan Proceeds under Other Financing Sources and Capital Outlay.
 - In the Water Operating Fund the Fiscal Officer booked \$27,074 as Charges for Services rather than Loan Proceeds.
 - In the Sewer Operating Fund the Fiscal Officer booked \$79 as Charges for Services rather than Loan Proceeds.
 - In the Storm Sewer Operating Fund the Fiscal Officer booked \$2,739 as Charges for Services rather than Loan Proceeds.
 - The Fiscal Officer posted \$3,943 to Street Capital Project fund rather than State Highway fund.
- Of the \$1,023,319 the Fiscal Officer did not book the remaining \$983,558 which should have been posted to loan proceeds and the expenditures allocated to the four funds as noted below:
 - State Highway Fund – Capital Outlay \$239,842 and Debt Issuance Cost of \$4,303
 - Water Operating Fund – Capital Outlay \$657,877 and Debt Issuance Cost of \$11,806
 - Sewer Operating Fund – Capital Outlay \$1,879 and Debt Issuance Cost of \$34
 - Storm Sewer Operating Fund – Capital Outlay \$66,620 and Debt Issuance Cost of \$1,196

Additionally, the Village did not update appropriations in their accounting system or obtain an amended certificate of estimated resources for this project.

In general, when approved for funding by a State or Federal agency, the Village should follow the reporting requirements summarized by Auditor of State Bulletins 2000-008 and 2002-004, as well as applicable budgetary requirements of certifying the available resources to the County Budget Commission and amend appropriations to account for the expected grant or project receipts and expenditures.

VILLAGE OF SEVILLE, Ohio
Medina County

SCHEDULE OF FINDINGS
December 31, 2018 - 2019

FINDING NUMBER 2019-001*(continued)*

Noncompliance Finding / Material Weakness - Ohio Water Development Authority Loan *(continued)*

We recommend the Village consult with their engineer or other personnel to obtain the required supporting documentation and review the Village Officer’s Handbook, to help ensure accurate financial reporting. The Village should review the Auditor of State Bulletins 2000-008 and 2002-004, as well as applicable budgetary requirements of certifying the available resources to the County Budget Commission and amend appropriations to account for the expected grant or project receipts and expenditures. We also recommend the Village consider establishing a policy/procedure for reviewing the State or Federal agency correspondence/documentation related to ongoing projects in which on-behalf type payment activity would be occurring (i.e., the OPWC website – Disbursement History Reports)

The Fiscal Officer should utilize the Ohio Village’ accounting manual and Uniform Accounting Network Accounting (UAN) manual to assist in identifying proper accounts and funds. In addition, the Board should review monthly receipt and disbursement reports to help ensure transactions are properly classified. This may help ensure the Village’s financial activity is accurately reported.

FINDING NUMBER 2019-002

Material Weakness/ Budgetary Information – Accounting System

Accurate budgetary information within the Village’s accounting system is pertinent to ensure that the Village has accurate and complete information for decision-making processes. Budgetary information entered into the accounting system does not match amounts per the estimated resources certified by the County for 2018 and 2019. The fund and amounts recorded in the accounting systems compared to the amount certified are as follows:

2018:	Co Auditor <u>Certification</u>	Revenue Status <u>Report</u>	<u>Variance</u>
General Fund	\$1,080,651	\$1,086,473	\$5,822
Street Construction M&R	\$112,712	\$117,512	\$4,800
Cemetery	\$75,876	\$77,573	\$1,697
Police Income Tax Levy	\$92,149	\$98,149	\$6,000
Street Income Tax Levy	\$35,851	\$36,851	\$1,000
Permissive MVL Tax	\$44,158	\$47,158	\$3,000
Street Paving Fund	\$38,714	\$0	\$38,714
Capital Improvement Fund	\$147,151	\$144,751	\$2,440
Sewer Operating	\$223,990	\$633,990	\$410,000
2019:	Co Auditor <u>Certification</u>	Revenue Status <u>Report</u>	<u>Variance</u>
General Fund	\$1,318,030	\$1,780,024	\$461,994

VILLAGE OF SEVILLE, Ohio
Medina County

SCHEDULE OF FINDINGS
December 31, 2018 - 2019

FINDING NUMBER 2019-002 *(continued)*

Material Weakness/ Budgetary Information – Accounting System *(continued)*

In addition, the Board approved appropriations at year end 2019 for the General Fund and Electric Operating Fund that totaled \$2,065,353 and \$8,599,948, respectively, however, the appropriations status report reflected \$2,421,353 and \$9,173,981, respectively resulting in variances of \$356,069 and \$574,032, respectively.

The Fiscal Officer should periodically compare amounts recorded in the Revenue Status and Appropriations Status Reports to the amounts recorded on the Amended Official Certificate of Estimated Resources and Board approved appropriations to assure they agree. If the amounts do not agree, the Board may be using inaccurate information for budgeting and monitoring purposes.

FINDING NUMBER 2019-003

Material Weakness - Fund Balance and Fund Type Classification

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Governmental Accounting Standards Board Statement (GASB) No. 54 provides revised governmental fund-type and fund balance definitions. Special revenue funds are used to 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 term proceeds of specific revenue sources establish that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A government should discontinue reporting a special revenue fund if the resources in the fund are not restricted or committed for a specific purpose, and instead, should report the activity of the fund in the General Fund. Auditor of State Bulletin 2011- 004 provides additional guidance regarding the implementation of GASB 54, and indicates GASB 54 changes the definitions of governmental funds; therefore, some funds that are maintained for day-today accounting purposes may no longer meet the fund type criteria for reporting in the year-end external financial statements. These funds should be presented as part of the General Fund in the year-end financial statements.

The General Fund should also report assigned fund balances for any encumbrances outstanding at fiscal year-end, as well as amounts assigned from subsequent year appropriations, which would be equal to amount of subsequent year's appropriations that exceed the subsequent year's estimated receipts. The residual amount of any fund balance in the General Fund should be classified as unassigned fund balance.

Additionally, agency funds account for activity that is purely custodial in nature, held on-behalf-of another entity or entities, and remitted at a later time.

The following deficiencies were noted relating to fund type and balance classification and adjusted/reclassified to the financial statements by management:

- In 2019 and 2018, the New Park Improvement Fund and the Leohr Park Tree Fund which do not have specific revenue sources or external restrictions or internal commitments were reported as Special Revenue Funds; however, per the fund definitions in GASB 54, the activity should have been reported in the General Fund for financial reporting purposes. For 2019, the result was an overstatement of Fines, Licenses and Permits equal to \$2,250, transfers equal to \$3,000, community environment disbursements of \$1,540, transportation of \$3,500 and cash fund balance of \$210 in the Special Revenue Funds opinion unit and corresponding understatements in the same accounts in the General Fund. For 2018, the result was an overstatement of cash fund beginning balance of \$9,700 in the Special Revenue Funds opinion unit and corresponding understatements cash fund beginning balance of \$9,700 in the General Fund.

VILLAGE OF SEVILLE, Ohio
Medina County

SCHEDULE OF FINDINGS
December 31, 2018 - 2019

FINDING NUMBER 2019-003 *(continued)*

Material Weakness - Fund Balance and Fund Type Classification *(continued)*

- In 2018, the unclaimed monies fund was improperly reported as an agency fund. The fund's resources are not purely custodial in nature; therefore, the fund should have been classified as part of the General Fund with the entire fund cash balance being reported as nonspendable. For 2018, the result was an overstatement year end fund balance of \$7,476 in the Agency Funds opinion unit. Therefore, the fund balance in the General Fund was understated by the \$7,476. For 2019, the unclaimed fund monies were reported in the General Fund opinion unit however it was not classified as nonspendable in the equity section of the financial statements.
- In 2019 and 2018, the entire fund balance for the Debt Service Funds opinion unit was improperly reported as assigned rather than restricted.
- \$374,840 and \$331,190, of the fund balance reported for the Capital Projects Funds opinion unit in 2019 and 2018, respectively, was improperly reported as restricted rather than committed.
- In 2019 and 2018, the Village did not classify any encumbrances or subsequent year appropriations exceeding estimated receipts in the General Fund as assigned fund balance. The result was an understatement of assigned fund balance in the General Fund of \$935,137 and \$620,729, respectively.

Failure to properly classify funds and fund balances could result in material financial statement errors in the future.

The activity of the New Park Improvement Fund, the Leohr Park Tree Fund, and the Unclaimed Monies Fund can still be maintained separate for day-to-day operations. However, these funds' activity should be reported in the year-end General Fund activity. The Village should review GASB 54 and Auditor of State Bulletin 2011-004 for proper classification of fund balances and fund types on the year-end financial statements. Additionally, the Village should monitor its financial reporting to ensure proper processes and procedures are in place.

FINDING NUMBER 2019-004

Significant Deficiency - Financial Statement Reclassification and Adjustments

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following financial statement reclassifications and adjustments were identified:

- In 2018, a permissive motor vehicle license tax revenue for a total of \$2,260 was posted to the Street Construction Fund and State Highway Fund for \$2,041 and \$165 respectively, rather than to the Streets Capital Projects Fund's Intergovernmental Receipt account. The adjustment to the accounting system by management and to the financial statements.
- In 2018, debt interest payment on the debt refunding bond series in the Debt Service Fund and the Enterprise Funds in the amounts of \$4,013 and \$1,720, respectively, were posted as principal rather than debt service interest and fiscal charges account.
- In 2019, debt interest payment on the debt refunding bond series in the Debt Service Fund and the Enterprise Funds for \$7,631 and \$3,270, respectively, were posted as principal rather than to the interest and fiscal charges account.

VILLAGE OF SEVILLE, Ohio
Medina County

SCHEDULE OF FINDINGS
December 31, 2018 - 2019

FINDING NUMBER 2019-004 *(continued)*

Significant Deficiency - Financial Statement Reclassification and Adjustments *(continued)*

- In 2019 and 2018, debt service principal retirement disbursements of \$1,301 in the Street Construction Fund was posted to the transportation expenditures rather than the principle retirement account.
- In 2019, permissive motor vehicle license tax revenue in the Streets Capital Project Funds for \$7,249 was posted in the Property and Other Tax account rather than to the Intergovernmental Revenue account.

Failure to accurately report transactions or balances could lead to undetected material misstatements on the financial statements.

The Village should exercise due care when posting transactions to help ensure transactions are correct and posted to the proper funds and accounts. Management should also review the financial statements to help ensure they are supported by sufficient documentation, free of obvious errors and omissions, and consistent with their financial expectations. These procedures should help avoid financial statement errors, and help ensure more accurate financial reporting. These reclassifications have been made to the financial statements.

A similar comment was included in the Village's prior two management letters.

Officials Response: We did not receive a response from the Village on any of the above findings.

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**Village of Seville, Ohio
Medina County**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2018 and December 31, 2019**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2017-001	Finding for Recovery – Severance Payment Termination of Employment Policy	Yes	Finding No Longer Valid
2017-002	Finding for Recovery – Vacation Payout - Employee Handbook: Vacation	Yes	Finding No Longer Valid
2017-003	Non-compliance/Material Weakness Ohio Rev. Code § 5705.42 and Ohio Rev. Code § 5705.39 – payments made On Behalf-of the Village by OWDA	No	Not Corrected Repeated as 2019-001
2017-004	Material Weakness: Internal Control Segregation of Duties for Bank Reconciliations	Yes	Finding No Longer Valid
2017-005	Material Weakness: Fund Balance and Fund Type Classification GASB No. 54	No	Not Corrected Repeated as 2019-004

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OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF SEVILLE

MEDINA 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
JULY 28, 2020**