



**VILLAGE OF BRADNER  
WOOD COUNTY**

**REGULAR AUDIT**

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



VILLAGE OF BRADNER  
WOOD COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2020 .....	5
Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2020 .....	6
Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2020 .....	7
Notes to the Financial Statements For the Year Ended December 31, 2020 .....	8
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2019 .....	26
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Proprietary and Fiduciary Fund Types For the Year Ended December 31, 2019 .....	27
Notes to the Financial Statements For the Year Ended December 31, 2019 .....	28
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	45
Schedule of Findings .....	47
Summary Schedule of Prior Audit Findings (Prepared by Management) .....	49

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420  
Toledo, Ohio 43604-2246  
(419) 245-2811 or (800) 443-9276  
NorthwestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Village of Bradner  
Wood County  
130 North Main Street  
P.O. Box 599  
Bradner, Ohio 43406-0599

To the Village Council:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Bradner, Wood County, Ohio (the Village).

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

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

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

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

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

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

---

Efficient • Effective • Transparent

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

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

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

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

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

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

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

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

***Emphasis of Matters***

As discussed in Note 18 to the 2020 financial statements and in Note 16 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

As discussed in Note 17 to the financial statements, during 2020 the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 26, 2021

**This page intentionally left blank.**



**Village of Bradner  
Wood County**

Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2020

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$44,157	\$22,055	\$7,171		\$73,383
Municipal Income Tax	98,957	26,988		\$53,977	179,922
Intergovernmental	53,218	220,181	1,274		274,673
Special Assessments		28,815			28,815
Charges for Services	293	81,187	80,861		162,341
Fines, Licenses and Permits	41,061	4,566		1,852	47,479
Earnings on Investments	7,212				7,212
Miscellaneous	10,230	5,710			15,940
<i>Total Cash Receipts</i>	<u>255,128</u>	<u>389,502</u>	<u>89,306</u>	<u>55,829</u>	<u>789,765</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	79,057	104,608			183,665
Public Health Services	432				432
Leisure Time Activities		37,901			37,901
Community Environment	3,095	11,001			14,096
Basic Utility Services		15,449			15,449
Transportation	2,272	79,163		188	81,623
General Government	98,672	12,997	84		111,753
Capital Outlay		3,334		26,294	29,628
Debt Service:					
Principal Retirement			63,586		63,586
Interest and Fiscal Charges			25,150		25,150
<i>Total Cash Disbursements</i>	<u>183,528</u>	<u>264,453</u>	<u>88,820</u>	<u>26,482</u>	<u>563,283</u>
<i>Excess of Receipts Over Disbursements</i>	<u>71,600</u>	<u>125,049</u>	<u>486</u>	<u>29,347</u>	<u>226,482</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets				18,400	18,400
Transfers In			11,523		11,523
Advances Out	(6,187)				(6,187)
Other Financing Sources	24	13			37
Other Financing Uses	(2,481)	(12)			(2,493)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(8,644)</u>	<u>1</u>	<u>11,523</u>	<u>18,400</u>	<u>21,280</u>
<i>Net Change in Fund Cash Balances</i>	62,956	125,050	12,009	47,747	247,762
<i>Fund Cash Balances, January 1</i>	<u>151,862</u>	<u>605,057</u>	<u>183,296</u>	<u>225,018</u>	<u>1,165,233</u>
<i>Fund Cash Balances, December 31</i>	<u>\$214,818</u>	<u>\$730,107</u>	<u>\$195,305</u>	<u>\$272,765</u>	<u>\$1,412,995</u>

See accompanying notes to the basic financial statements

**Village of Bradner  
Wood County**

Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
Proprietary Fund Type  
For the Year Ended December 31, 2020

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$1,224,913
Miscellaneous	26,308
	1,251,221
<b>Operating Cash Disbursements</b>	
Personal Services	167,999
Employee Fringe Benefits	52,057
Contractual Services	687,965
Supplies and Materials	83,970
Other	23,797
	1,015,788
<i>Operating Income</i>	235,433
<b>Non-Operating Receipts (Disbursements)</b>	
Property and Other Local Taxes	13,006
Intergovernmental	13,379
Miscellaneous Receipts	6,080
Capital Outlay	(252,866)
Excise Tax Payment - Electric	(2,230)
Principal Retirement	(62,153)
Interest and Other Fiscal Charges	(880)
Other Financing Sources	4,229
Other Financing Uses	(2,962)
	(284,397)
<i>Loss before Transfers and Advances</i>	(48,964)
Transfers Out	(11,523)
Advances In	6,187
	(54,300)
<i>Net Change in Fund Cash Balances</i>	(54,300)
<i>Fund Cash Balances, January 1</i>	2,855,117
<i>Fund Cash Balances, December 31</i>	\$2,800,817

See accompanying notes to the basic financial statements

**Village of Bradner  
Wood County**

Statement of Additions, Deductions  
and Changes in Fund Balances (Regulatory Cash Basis)  
Fiduciary Fund Type  
For the Year Ended December 31, 2020

---

---

	<u>Custodial</u>
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$39,869
<b>Deductions</b>	
Other Distributions	<u>41,298</u>
<i>Net Change in Fund Balances</i>	(1,429)
<i>Fund Cash Balances, January 1</i>	<u>3,139</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,710</u></u>

*See accompanying notes to the basic financial statements*

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

**Note 1 – Reporting Entity**

The Village of Bradner, Wood 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, and police and fire protection services.

***Joint Ventures, Long Term Purchase Commitments, and Public Entity Risk Pool***

The Village participates in joint ventures, long term purchase commitments, and a public entity risk pool. Notes 8, 13, and 15 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable. These organizations are:

Joint Ventures:

- Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)
- Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)

Long Term Purchase Commitment:

- American Municipal Power Generating Station (AMPGS)
- AMP Fremont Energy Center (AFEC)
- Prairie State Energy Campus
- Combined Hydroelectric Projects

Public Entity Risk Pool:

- Ohio Plan Risk Management, Inc. (OPRM) is available to public entities in Ohio. OPRM provides property and casualty coverage for its members.

**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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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:

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

**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.

**Fire Fund** The fire fund receives real estate tax and monies charged for fire protection to surrounding entities. These monies are used to provide fire protection to Village residents and to those entities that contract with the Village to provide such services.

**Coronavirus Relief Fund** The Coronavirus Relief Fund accounts for the federal CARES Act moneys received by the Village.

**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 Fund:

**Sanitary Sewer Debt Service Fund** This fund receives transfers in from the Sewer Operating Fund for payment of bonds issued to improve the Village's sanitary sewer system.

**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 Fund:

**Storm Sewer Capital Fund** This fund receives municipal income tax money for the repair and improvement of the Village's streets.

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

**Water Fund** This fund receives charges for services from residents to cover water service costs.

**Sewer Fund** This fund receives charges for services from residents to cover sewer service costs.

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

**Fiduciary Funds** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for mayor's court fines and forfeitures.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or 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 2020 budgetary activity appears in Note 4.

***Deposits and Investments***

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

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

***Capital Assets***

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

***Accumulated Leave***

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

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

**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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

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

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 16.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Street Construction Maintenance and Repair, Fire, and Electric funds by \$15,461, \$34,223, and \$507,184, respectively, for the year ended December 31, 2020.

Contrary to Ohio law, the Village inappropriately recorded revenues in the amount of \$18,400 from the sale of a bucket truck to the Electric Operating fund. Given the source of the revenue, the proceeds should have been recorded in the Capital Project Fund.

**Village of Bradner  
Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$248,466	\$255,152	(\$6,686)
Special Revenue	213,861	389,515	(175,654)
Debt Service	105,270	100,829	4,441
Capital Projects	49,000	74,229	(25,229)
Enterprise	1,365,187	1,294,102	71,085
Total	<u>\$1,981,784</u>	<u>\$2,113,827</u>	<u>(\$132,043)</u>

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$214,883	\$203,915	\$10,968
Special Revenue	284,713	339,148	(54,435)
Debt Service	89,624	88,820	804
Capital Projects	26,250	26,482	(232)
Enterprise	869,738	1,415,453	(545,715)
Total	<u>\$1,485,208</u>	<u>\$2,073,818</u>	<u>(\$588,610)</u>

**Note 5 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	2020
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$2,776,183
Money Market	1,162,642
Total deposits	<u>3,938,825</u>
STAR Ohio	276,697
Total Deposits and Investments	<u>\$4,215,522</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings.

***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.



**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

**Investments**

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 6 – Taxes**

**Property Taxes**

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

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

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

**Income Taxes**

The Village levies a municipal income tax of 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.

**Note 7 – Interfund Balances**

**Transfers**

	Transfers In	Transfers Out
Water Capital		(\$11,523)
Water Distribution Debt Service	\$5,237	
Blackman Road Debt Service	3,250	
OWDA	3,036	
Total	\$11,523	(\$11,523)

During 2020, the Village transferred money from the Water Capital Fund to the Water Distribution Debt Service, Blackman Road Waterline Debt Service and OWDA Funds, in order to pay debt payments from the appropriate funds. These transfers were determined to be appropriate and in compliance with the Ohio Revised Code.

**Village of Bradner  
Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

**Advances**

In May of 2018, Village Council approved an ordinance to issue manuscript debt for the Police Capital Fund to borrow an amount up to \$38,000 for the purchase of a police cruiser. \$37,654 was borrowed from the Sanitary Sewer Fund. The manuscript debt is to be paid back in five equal annual installments, starting in 2020 at an interest rate of 3.95%. These advances were determined to be appropriate and in compliance with the Ohio Revised Code. The Village chose to repay \$12,374 of the advances early.

During 2020, the following advance was made to repay a portion of the outstanding principal on the manuscript debt issued during 2018. This advance was determined to be appropriate and in compliance with the Ohio Revised Code.

	Advances In	Advances Out
General		(\$6,187)
Sanitary Sewer	\$6,187	
Total	\$6,187	(\$6,187)

**Note 8 – Risk Management**

***Risk Pool Membership***

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM's property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	\$ 18,826,974
Liabilities	<u>(13,530,267)</u>
Members' Equity	<u>\$ 5,296,707</u>

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

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

***Social Security***

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

**Note 10 – Postemployment Benefits**

OPERS offers 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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

**Note 11 – Debt**

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

	Principal	Interest Rate
Farmers Home Admn (Sanitary Sewer Bond 01 - \$975,000)	\$404,000	5.00%
Farmers Home Admn (Sanitary Sewer Bond 04 - \$300,000)	56,000	5.00%
OWDA Loan # 5556	95,159	0.00%
OWDA Loan # 7027	760,113	0.00%
OPWC Loan # CE21F (Water System Improvement)	7,597	0.00%
OPWC Loan # CE34K (Road Project)	27,625	0.00%
OPWC Loan # CE19N (Maple Street Water Line Main Replacement)	33,402	0.00%
OPWC Loan # CE450O (Waterline and Fire Line Loop)	32,448	0.00%
AMP - JV5	46,131	Variable
Total	<u>\$1,462,475</u>	

The Village entered into an agreement on May 1, 1989 to issue \$975,000 in sanitary sewer bonds at a rate of 5% for sanitary sewer improvements including construction of sanitary sewer and sewage treatment plant. These bonds mature on May 1, 2029.

The Village entered into an agreement on May 1, 1989 to issue \$300,000 in sanitary sewer bonds at a rate of 5% for sanitary sewer improvements including construction of sanitary sewer and sewage treatment plant. These bonds mature on May 1, 2027.

The Village entered into Loan # 5556 on January 14, 2010 with the Ohio Water Development Authority (OWDA) to loan \$181,255 for Pump Station Rehabilitation. The zero interest loan is scheduled to mature on January 1, 2031.

The Village entered into Loan # 7027 on July 10, 2015 with OWDA to loan \$877,053 for the Well Supply and Treatment improvements. The zero interest loan is scheduled to mature on July 1, 2046.

The Village entered into Loan # CE21F on November 3, 2003 with the Ohio Public Works Commission (OPWC) to loan \$50,649 for Water System Improvements. This is a zero interest loan that will be paid off on July 1, 2023.

The Village entered into a project agreement with OPWC on July 1, 2007 not to exceed \$73,000. Upon completion of project, Loan # CE34K in the amount of \$65,000 was issued to the Village at zero interest that will be paid over the term of 20 years with payments starting July 1, 2009, this loan is set to mature on January 1, 2029.

The Village entered into Loan # CE19N in July 2011 with OPWC to loan \$60,731 for the Maple Street Water Main Replacement. This is a zero interest loan that will pay off in 20 years.

The Village entered into Loan # CE450 in July 2012 with OPWC to loan \$54,066 for the Waterline Replacement and Fire Line Loop. This is a zero interest loan that will pay off in 20 years.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

During 2004, the Village entered into a loan agreement with AMP for \$403,618 in order to finance the cost of making improvements to its electric system, including the construction and installation of a new substation. Principal and interest payments will be retired from net revenues of its electric system, together with interest thereon equal to the rate of interest on the AMP-Ohio Member Electric System Improvement Bond Anticipation Notes (“Notes”), or (“Bonds”) in anticipation of which Bonds the Notes are issued. An amortization schedule is not available for this loan.

**Amortization**

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

Year Ending December 31:	Sanitary Sewer Bond 01	Sanitary Sewer Bond 04	OWDA Loan #5556	OWDA Loan #7027	OPWC Loan #CE21F
2021	\$57,200	\$10,800	\$9,063	\$29,235	\$2,532
2022	56,350	10,400	9,063	29,235	2,533
2023	56,350	10,000	9,063	29,235	2,532
2024	56,400	9,600	9,063	29,235	
2025	57,300	9,200	9,063	29,235	
2026-2030	226,750	17,200	45,314	146,175	
2031-2035			4,530	146,175	
2036-2040				146,175	
2041-2045				146,175	
2046				29,238	
<b>Total</b>	<b>\$510,350</b>	<b>\$67,200</b>	<b>\$95,159</b>	<b>\$760,113</b>	<b>\$7,597</b>

Year Ending December 31:	OPWC Loan #CE24K	OPWC Loan #CE19N	OPWC Loan #CE45O
2020	\$3,250	\$3,037	\$2,704
2021	3,250	3,037	2,704
2022	3,250	3,037	2,704
2023	3,250	3,037	2,704
2024	3,250	3,037	2,704
2025-2029	11,375	15,183	13,520
2030-2034		3,034	5,408
<b>Total</b>	<b>\$27,625</b>	<b>\$33,402</b>	<b>\$32,448</b>

**Note 12 – Contingent Liabilities**

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

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

**Note 13 – Joint Ventures**

***Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)***

The Village of Bradner is a Non-Financing Participant and an Owner Participant with an ownership percentage of .09% and shares participation with thirty-five 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 of 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 power 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 134.081MW is the participants' entitlement and 4.569MW 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 31, 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, 2020, \$1,876,617 principal amount of JV2 obligations was outstanding and held on the Line of Credit. The Village's net investment in OMEGA JV2 was \$(29) at December 31, 2019. Complete financial statement for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2020 were as follows:

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

<u>Municipality</u>	<u>% Ownership</u>	<u>Kw Entitlement</u>
• Hamilton	23.87%	32,000
• Bowling Green	14.32%	19,198
• Niles	11.49%	15,400
• Cuyahoga Falls	7.46%	10,000
• Wadsworth	5.81%	7,784
• Painesville	5.22%	7,000
• Dover	5.22%	7,000
• Galion	4.29%	5,753
• Amherst	3.73%	5,000
• St. Mary's	2.98%	4,000
• Montpelier	2.98%	4,000
• Shelby	1.89%	2,536
• Versailles	1.24%	1,660
• Edgerton	1.09%	1,460
• Yellow Springs	1.05%	1,408
• Oberlin	0.91%	1,217
• Pioneer	0.86%	1,158
• Seville	0.79%	1,066
• Grafton	0.79%	1,056
• Brewster	0.75%	1,000
• Monroeville	0.57%	764
• Milan	0.55%	737
• Oak Harbor	0.55%	737
• Elmore	0.27%	364
• Jackson Center	0.22%	300
• Napoleon	0.20%	264
• Lodi	0.16%	218
• Genoa	0.15%	199
• Pemberville	0.15%	197
• Lucas	0.12%	161
• South Vienna	0.09%	123
• Bradner	0.09%	119
• Woodville	0.06%	81
• Haskins	0.05%	73
• Arcanum	0.03%	44
• Custar	<u>0.00%</u>	<u>4</u>
	100.0%	134,081

**Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)**

The Village of Bradner is a Financing Participant with an ownership percentage of .35%, and shares participation with forty-one 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.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations 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 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. On dissolution of OMEGA JV5, the net assets 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, 2020, Bradner has met their debt coverage 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 JV5 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. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The Village's net investment to date in OMEGA JV5 was \$10,458 at December 31, 2020. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

**Note 14 – 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 13. 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 Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

	2020
Total Fund Cash Balance	\$1,516,565
Total Long-Term Debt	\$46,131
 <b>Condensed Operating Information:</b>	
Operating Receipts	
Charges for Services	\$832,093
Operating Expenses	
Personal Services	57,766
Employee Fringe Benefits	16,789
Contractual Services	606,719
Supplies and Materials	31,094
Other	23,797
Total Operating Expenses	736,165
Operating Income (Loss)	95,928
Nonoperating Receipts (Disbursements)	
Principal Payments	(32,918)
Interest Payments	(880)
Other Nonoperating Receipts (Disbursements)	(219,244)
Change in Fund Cash Balance	(157,114)
Beginning Fund Cash Balance	1,673,679
Ending Fund Cash Balance	\$1,516,565

	2020
<b>Condensed Cash Flows Information:</b>	
Net Cash Provided (Used) by:	
Operating Activities	\$95,928
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(32,918)
Interest Payments on Capital and Related Debt	(880)
Other Capital and Related Financing Activities	(219,244)
Net Cash Used by Capital and Related Financing Activities	(253,042)
Net Increase (Decrease)	(157,114)
Beginning Fund Cash Balance	1,673,679
Ending Fund Cash Balance	\$1,516,565

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

**Note 15 – Long-Term Purchase Commitments**

***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 intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 724 kilowatts of a total 771,281 kilowatts, giving the Village a 0.09 percent 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. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 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 at March 31, 2014 of the impaired costs was \$126,113. The Village received a credit of \$13,971 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$32,743 related to the AMPGS costs deemed to have future benefit for the project participants. In addition, the Village made payments of \$4,038 leaving a net impaired cost estimate of \$75,360. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. 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 AMP General Fund's project share.

Since March 31, 2014, the Village has made payments of \$57,611 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 \$1,528 and interest expense incurred on AMP's line-of-credit of \$3,236, resulting in a net impaired cost estimate at December 31, 2020 of \$22,514. The Village does have a potential Plant Held for Future Use (PHFU) Liability of \$36,859 resulting in a net total potential liability of \$59,373, 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 five years through a power cost adjustment.

***Combined Hydroelectric Projects (79 Members)***

AMP owns and operates three hydroelectric facilities, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the "Combined Hydroelectric Project"), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Project facilities entailed the installation of run-of-the-river hydroelectric generating facilities on existing United States Army Corps of Engineers' dams and includes associated transmission facilities. The Combined Hydroelectric Project, including associated transmission facilities, are operated by AMP. AMP holds the licenses from FERC for the Combined Hydroelectric Project.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

The Cannelton Hydro facility, 88MW, in operation as of June 7, 2016, is located on the Kentucky shore of the Cannelton Locks and Dam on federal land. AMP has a FERC license for the project that expires May 31, 2041. The hydro project diverts water from the locks and dam through bulb turbines, which have a horizontal shaft and Kaplan-type turbines. The site includes an intake channel, a reinforced concrete powerhouse (to house turbine and 3 generator units), and a tailrace or downstream channel.

The Willow Island Hydro facility, 44MW, in operation as of February 4, 2016, diverts water from the existing Willow Island Locks and Dam through bulb turbines. The FERC license for the Willow Project expires August 31, 2030. Average gross annual output is 279 million kWh. The powerhouse houses two horizontal 29.3 MW bulb type turbines and generating units.

The Smithland Hydro facility, 76MW, in operation as of September 1, 2017, is located 62.5 miles upstream of the confluence of the Ohio and Mississippi Rivers. The Smithland project has a FERC license that expires May 31, 2038. The powerhouse houses three horizontal 29.3 MW bulb type turbines and generating units. Average gross annual output is 379 million kWh.

To provide financing for the Combined Hydroelectric Project, in 2009 and 2010 AMP issued in seven series \$2,045,425,000 of its Combined Hydroelectric Project Revenue Bonds (the "Combined Hydroelectric Bonds"), consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members.

In addition, AMP issued the Combined Hydro Project Revenue Bonds, Series 2016A (Green Bonds) (the "Series 2016A Bonds") for \$209,530,000 on October 6, 2016. The bonds were used to finance final completion costs and also reimbursement to the AMP credit line, which provided interim financing for costs related to construction, fund a deposit to the Parity Common Reserve Account, deposit to Escrow Account and pay the cost of issuance of the Series 2016A. The purpose of the "Green bonds" label is to allow investors to invest in an environmentally beneficial project.

As of December 31, 2020 the total outstanding Hydro Project debt on AMP's books is approximately \$2,163,752,058.

The Village of Bradner has executed a take-or-pay power sales contract with AMP for 200 kW or .10% of capacity and associated energy from the Combined hydro facilities.

***Prairie State Energy Campus (68 Members)***

On December 20, 2007, AMP acquired 368,000 kW or an effective 23.26% undivided ownership interest (the "PSEC Ownership Interest") in the Prairie State Energy Campus ("PSEC"), a planned 1,600 MW coal-fired power plant and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company ("AMP 368 LLC"). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007.

On June 12, 2012, Unit 1 of the PSEC began commercial operation and on November 2, 2012 Unit 2 of the PSEC began commercial operation.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the "Prairie State Power Sales Contract") with 68 Members (the "Prairie State Participants"). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

**Village of Bradner  
Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

AMP's share of the total Project costs, including AMP's share of PSEC capital improvements through 2016, resulted in the issuance by AMP of approximately \$1.697 billion of debt. These costs include (i) AMP's costs of acquisition of its Ownership Interest and its share of the cost of construction of the PSEC, including an allowance for contingencies, (ii) capitalized interest during and after the scheduled in service dates of the two PSEC Units, (iii) costs of issuance associated with both the interim and long-term financing for the Project and (iv) deposits to the Parity Common Reserve Account for the Bonds issued to permanently finance the Project. As of December 31, 2020 the outstanding obligation on Prairie State project is \$1,470,255,000.

The Village of Bradner has executed a take-or-pay power sales contract with AMP for 199 kW or .05% kW of capacity and associated energy from the Prairie State facility.

***AMP Fremont Energy Center (AFEC)***

AFEC is a 707 MW natural gas fired combined cycle generation plant with a Base Capacity of 512 MW, located near the City of Fremont, Ohio. AMP acquired AFEC on July 28, 2011. AMP's acquisition of the plant was financed with draws on an additional line of credit for \$600,000,000 secured solely for the purpose of purchasing the plant.

To provide permanent financing for the AFEC Project on June 29, 2012 AMP issued in two series \$546,085,000 of its AMP Fremont Center Project Revenue Bonds consisting of taxable and tax-exempt obligations to (i) with other available funds, repay the \$600,000,000 principal amount of an interim loan that financed the acquisition and development costs and completion of construction and commissioning of AFEC; (ii) make deposits to the Construction Accounts under the Indenture to finance additional capital expenditures; (iii) fund deposits to certain reserve accounts; and (iv) pay the costs of issuance of the Series 2012 Bonds.

On January 21, 2012 the AMP Fremont Energy Center ("AFEC") began commercial operation. The total cost of construction of AFEC at the date it was placed in service was \$582,200,642. This amount included a development fee of \$35,535,448 paid by AFEC participants for the account of AMP Generating Station participants who are also AFEC participants. The amount was previously recorded as a noncurrent regulatory asset at December 31, 2011. In June 2012, AMP sold 26.419 MW or a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency ("MPPA") and entered into a power sales contract with Central Virginia Electric Cooperative ("CVEC") for the output of a 21.248 MW or 4.15% interest in AFEC. AMP has sold the output of the remaining 464.355 MW or 90.69% interest to the AFEC participants, which consist of the 87 members, pursuant to a take-or-pay power sales contract. As of December 31, 2020 the outstanding obligation on the Fremont Energy Center ("AFEC") on AMP's books is \$478,965,000.

The Village of Bradner has executed a take-or-pay power sales contract with AMP for 130 kW or .03% of capacity and associated energy from the AFEC facility.

**Note 16 – Fund Balances**

Included in fund balance are amounts the Village cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

---

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$11,719	\$74,683	\$86,402

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. These restricted, committed and assigned amounts in the special revenue, debt service, and capital project funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 17 – Changes in Accounting Principles**

For 2020, the Village has made changes to their cash basis reporting model. These changes include adding a separate Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Type, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

The implementation of GASB Statement No. 84 did not have an effect on the fund balance of the governmental and proprietary funds as previously reported. Due to the implementation of GASB Statement No. 84, the new classification of Custodial Fund is reporting a beginning net position of \$3,139.

**Note 18 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**Note 19 – Miscellaneous Revenues**

The General Fund received Bureau of Workers Compensation receipts in 2020.

**Village of Bradner  
Wood County**

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

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$49,944	\$25,682	\$11,769		\$87,395
Municipal Income Tax	98,789	26,942		\$53,885	179,616
Intergovernmental	53,645	63,838	2,034		119,517
Special Assessments	300	29,120			29,420
Charges for Services	216	83,693	80,524		164,433
Fines, Licenses and Permits	28,229	2,834		735	31,798
Earnings on Investments	30,134				30,134
Miscellaneous	5,526	1,748		633	7,907
<i>Total Cash Receipts</i>	<u>266,783</u>	<u>233,857</u>	<u>94,327</u>	<u>55,253</u>	<u>650,220</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	75,315	47,819			123,134
Public Health Services	697				697
Leisure Time Activities		28,927			28,927
Community Environment	11,238	2,190			13,428
Transportation	25,070	38,655		356	64,081
General Government	93,084	954	51		94,089
Capital Outlay	388	231,736		35,041	267,165
Debt Service:					
Principal Retirement			61,587		61,587
Interest and Fiscal Charges			27,296		27,296
<i>Total Cash Disbursements</i>	<u>205,792</u>	<u>350,281</u>	<u>88,934</u>	<u>35,397</u>	<u>680,404</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>60,991</u>	<u>(116,424)</u>	<u>5,393</u>	<u>19,856</u>	<u>(30,184)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets				7,750	7,750
Transfers In			11,527		11,527
Advances Out	(6,995)				(6,995)
Other Financing Sources	16	80			96
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(6,979)</u>	<u>80</u>	<u>11,527</u>	<u>7,750</u>	<u>12,378</u>
Special Item	76				76
<i>Net Change in Fund Cash Balances</i>	54,088	(116,344)	16,920	27,606	(17,730)
<i>Fund Cash Balances, January 1</i>	<u>97,774</u>	<u>721,401</u>	<u>166,376</u>	<u>197,412</u>	<u>1,182,963</u>
<b>Fund Cash Balances, December 31</b>					
Restricted		605,057	183,296	225,018	1,013,371
Unassigned	151,862				151,862
<i>Fund Cash Balances, December 31</i>	<u>\$151,862</u>	<u>\$605,057</u>	<u>\$183,296</u>	<u>\$225,018</u>	<u>\$1,165,233</u>

See accompanying notes to the basic financial statements

**Village of Bradner  
Wood County**

Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
All Proprietary and Fiduciary Fund Types  
For the Year Ended December 31, 2019

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Custodial	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$1,280,726		\$1,280,726
Fines, Licenses and Permits		\$23,324	23,324
Miscellaneous	24,010		24,010
<i>Total Operating Cash Receipts</i>	<u>1,304,736</u>	<u>23,324</u>	<u>1,328,060</u>
<b>Operating Cash Disbursements</b>			
Personal Services	163,231		163,231
Employee Fringe Benefits	45,937		45,937
Contractual Services	627,165	7,715	634,880
Supplies and Materials	106,251		106,251
Other	28,346	12,948	41,294
<i>Total Operating Cash Disbursements</i>	<u>970,930</u>	<u>20,663</u>	<u>991,593</u>
<i>Operating Income</i>	<u>333,806</u>	<u>2,661</u>	<u>336,467</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Property and Other Local Taxes	14,943		14,943
Intergovernmental	2,301		2,301
Miscellaneous Receipts	1,978		1,978
Capital Outlay	(117,828)		(117,828)
Excise Tax Payment - Electric	(1,202)		(1,202)
Principal Retirement	(56,049)		(56,049)
Interest and Other Fiscal Charges	(1,785)		(1,785)
Other Financing Sources	4,132	176	4,308
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(153,510)</u>	<u>176</u>	<u>(153,334)</u>
<i>Income before Transfers and Advances</i>	180,296	2,837	183,133
Transfers Out	(11,527)		(11,527)
Advances In	6,995		6,995
<i>Net Change in Fund Cash Balances</i>	175,764	2,837	178,601
<i>Fund Cash Balances, January 1</i>	<u>2,679,353</u>	<u>302</u>	<u>2,679,655</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,855,117</u>	<u>\$3,139</u>	<u>\$2,858,256</u>

See accompanying notes to the basic financial statements

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

**Note 1 – Reporting Entity**

The Village of Bradner, Wood 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, and police and fire protection services.

***Joint Ventures, Long Term Purchase Commitments, and Public Entity Risk Pool***

The Village participates in joint ventures, long term purchase commitments, and a public entity risk pool. Notes 7, 12, and 14 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable. These organizations are:

Joint Ventures:

Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)  
Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)

Long Term Purchase Commitment:

American Municipal Power Generating Station (AMPGS)  
AMP Fremont Energy Center (AFEC)  
Prairie State Energy Campus  
Combined Hydroelectric Projects

Public Entity Risk Pool:

Ohio Plan Risk Management, Inc. (OPRM) is available to public entities in Ohio. OPRM provides property and casualty coverage for its members.

**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 all 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 the portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.



**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

**Fire Fund** The fire fund receives real estate tax and monies charged for fire protection to surrounding entities. These monies are used to provide fire protection to Village residents and to those entities that contract with the Village to provide such services.

**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 Fund:

**Sanitary Sewer Debt Service Fund** This fund receives transfers in from the Sewer Operating Fund for payment of bonds issued to improve the Village's sanitary sewer system.

**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 Fund:

**Storm Sewer Capital Fund** This fund receives municipal income tax money for the repair and improvement of the Village's streets.

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

**Water Fund** This fund receives charges for services from residents to cover water service costs.

**Sewer Fund** This fund receives charges for services from residents to cover sewer service costs.

**Electric Fund** The electric fund accounts for the provision of electric distribution 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.

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 fund accounts for mayor's court fines and forfeitures.

### **Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

### **Budgetary Process**

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

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or 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.

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

**Capital Assets**

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

**Accumulated Leave**

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

**Fund Balance**

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

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

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

**Committed** Council can *commit* amounts via formal action (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 Bradner  
Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

**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 the 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 – Compliance**

Contrary to Ohio law, the Village inappropriately recorded revenues in the amount of \$7,750 from the sale of a tanker truck to the Fire fund. Given the source of the revenue, the proceeds of \$7,750 should have been recorded in the Capital Project Fund.

**Note 4 – 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	\$264,209	\$266,799	\$2,590
Special Revenue	242,089	233,937	(8,152)
Debt Service	100,356	105,854	5,498
Capital Projects	51,000	63,003	12,003
Enterprise	1,264,879	1,335,085	70,206
Total	\$1,922,533	\$2,004,678	\$82,145

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$242,740	\$213,802	\$28,938
Special Revenue	434,895	350,838	84,057
Debt Service	89,337	88,934	403
Capital Projects	111,150	35,397	75,753
Enterprise	1,797,315	1,162,104	635,211
Total	\$2,675,437	\$1,851,075	\$824,362

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

**Note 5 – Deposits and Investments**

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

	<u>2019</u>
Demand deposits	\$2,590,242
Certificates of deposit	250,338
Money Market	<u>908,166</u>
Total deposits	<u>3,748,746</u>
STAR Ohio	<u>274,743</u>
Total deposits and investments	<u><u>\$4,023,489</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings.

***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***

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**Note 6 – Taxes**

***Property Taxes***

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

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

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

***Income Taxes***

The Village levies a municipal income tax of 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.

**Village of Bradner  
Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

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

**Note 7 – Interfund Balances**

**Transfers**

	Transfers In	Transfers Out
Water Capital		(\$11,527)
Water Distribution Debt Service	\$5,241	
Blackman Road Debt Service	3,250	
OWDA	3,036	
Total	\$11,527	(\$11,527)

During 2019, the Village transferred money from the Water Capital Fund to the Water Distribution Debt Service, Blackman Road Waterline Debt Service and OWDA Funds, in order to pay debt payments from the appropriate funds. These transfers were determined to be appropriate and in compliance with the Ohio Revised Code.

**Advances**

In May of 2018, Village Council approved an ordinance to issue manuscript debt for the Police Capital Fund to borrow an amount up to \$38,000 for the purchase of a police cruiser. \$37,654 was borrowed from the Sanitary Sewer Fund. The manuscript debt is to be paid back in five equal annual installments, starting in 2020 at an interest rate of 3.95%. These advances were determined to be appropriate and in compliance with the Ohio Revised Code. The Village chose to repay \$12,374 of the advances early.

During 2019, the following advance was made to repay a portion of the outstanding principal on the manuscript debt issued during 2018. This advance was determined to be appropriate and in compliance with the Ohio Revised Code.

	Advances In	Advances Out
General		(\$6,995)
Sanitary Sewer	\$6,995	
Total	\$6,995	(\$6,995)

**Note 8 – Risk Management**

**Risk Pool Membership**

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

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

**Village of Bradner  
Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

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

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

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

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

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

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

***Social Security***

Some 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 10 – Postemployment Benefits**

OPERS offers 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.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

**Note 11 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
Farmers Home Admn (Sanitary Sewer Bond 01 - \$975,000)	\$439,000	5.00%
Farmers Home Admn (Sanitary Sewer Bond 04 - \$300,000)	64,000	5.00%
OWDA Loan # 5556	104,222	0.00%
OWDA Loan # 7027	789,348	0.00%
OPWC Loan # CE21F (Water System Improvement)	10,130	0.00%
OPWC Loan # CE34K (Road Project)	30,875	0.00%
OPWC Loan # CE19N (Maple Street Water Line Main Replacement)	36,438	0.00%
OPWC Loan # CE450O (Waterline and Fire Line Loop)	35,152	0.00%
AMP - JV5	<u>79,049</u>	Variable
Total	<u>\$1,588,214</u>	

The Village entered into an agreement on May 1, 1989 to issue \$975,000 in sanitary sewer bonds at a rate of 5% for sanitary sewer improvements including construction of sanitary sewer and sewage treatment plant. These bonds mature on May 1, 2029.

The Village entered into an agreement on May 1, 1989 to issue \$300,000 in sanitary sewer bonds at a rate of 5% for sanitary sewer improvements including construction of sanitary sewer and sewage treatment plant. These bonds mature on May 1, 2027.

The Village entered into Loan # 5556 on January 14, 2010 with the Ohio Water Development Authority (OWDA) to loan \$181,255 for Pump Station Rehabilitation. The zero interest loan is scheduled to mature on January 1, 2031.

The Village entered into Loan # 7027 on July 10, 2015 with OWDA to loan \$877,053 for the Well Supply and Treatment improvements. The zero interest loan is scheduled to mature on July 1, 2046.

The Village entered into Loan # CE21F on November 3, 2003 with the Ohio Public Works Commission (OPWC) to loan \$50,649 for Water System Improvements. This is a zero interest loan that will be paid off on July 1, 2023.

The Village entered into a project agreement with OPWC on July 1, 2007 not to exceed \$73,000. Upon completion of project, Loan # CE34K in the amount of \$65,000 was issued to the Village at zero interest that will be paid over the term of 20 years with payments starting July 1, 2009, this loan is set to mature on January 1, 2029.

The Village entered into Loan # CE19N in July 2011 with OPWC to loan \$60,731 for the Maple Street Water Main Replacement. This is a zero interest loan that will pay off in 20 years.

The Village entered into Loan # CE45O in July 2012 with OPWC to loan \$54,066 for the Waterline Replacement and Fire Line Loop. This is a zero interest loan that will pay off in 20 years.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

During 2004, the Village entered into a loan agreement with AMP for \$403,618 in order to finance the cost of making improvements to its electric system, including the construction and installation of a new substation. Principal and interest payments will be retired from net revenues of its electric system, together with interest thereon equal to the rate of interest on the AMP-Ohio Member Electric System Improvement Bond Anticipation Notes (“Notes”), or (“Bonds”) in anticipation of which Bonds the Notes are issued. An amortization schedule is not available for this loan.

**Amortization**

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

Year Ending December 31:	Sanitary Sewer Bond 01	Sanitary Sewer Bond 04	OWDA Loan #5556	OWDA Loan #7027	OPWC Loan #CE21F
2020	\$56,950	\$11,200	\$9,063	\$29,235	\$2,533
2021	57,200	10,800	9,063	29,235	2,532
2022	56,350	10,400	9,063	29,235	2,533
2023	56,350	10,000	9,063	29,235	2,532
2024	56,400	9,600	9,063	29,235	
2025-2029	284,050	26,400	45,314	146,175	
2030-2034			13,593	146,175	
2035-2039				146,175	
2040-2044				146,175	
2045-2046				58,473	
Total	<u>\$567,300</u>	<u>\$78,400</u>	<u>\$104,222</u>	<u>\$789,348</u>	<u>\$10,130</u>

Year Ending December 31:	OPWC Loan #CE24K	OPWC Loan #CE19N	OPWC Loan #CE45O
2020	\$3,250	\$3,037	\$2,704
2021	3,250	3,037	2,704
2022	3,250	3,037	2,704
2023	3,250	3,037	2,704
2024	3,250	3,037	2,704
2025-2029	14,625	15,183	13,520
2030-2034		6,070	8,112
Total	<u>\$30,875</u>	<u>\$36,438</u>	<u>\$35,152</u>

**Note 12 – Contingent Liabilities**

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



**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

**Note 13 – Joint Ventures**

***Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)***

The Village of Bradner is a Non-Financing Participant and an Owner Participant with an ownership percentage of .09% and shares participation with thirty-five 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 of 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 power 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 134.081MW is the participants' entitlement and 4.569MW 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 31, 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, \$2,900,302 principal amount of JV2 obligations was outstanding and held on the Line of Credit. The Village's net investment in OMEGA JV2 was \$2,881 at December 31, 2019. Complete financial statement for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

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

<b><u>Municipality</u></b>	<b><u>% Ownership</u></b>	<b><u>Kw Entitlement</u></b>
• Hamilton	23.87%	32,000
• Bowling Green	14.32%	19,198
• Niles	11.49%	15,400
• Cuyahoga Falls	7.46%	10,000
• Wadsworth	5.81%	7,784
• Painesville	5.22%	7,000
• Dover	5.22%	7,000
• Galion	4.29%	5,753
• Amherst	3.73%	5,000
• St. Mary's	2.98%	4,000
• Montpelier	2.98%	4,000
• Shelby	1.89%	2,536
• Versailles	1.24%	1,660
• Edgerton	1.09%	1,460
• Yellow Springs	1.05%	1,408
• Oberlin	0.91%	1,217
• Pioneer	0.86%	1,158

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

• Seville	0.79%	1,066
• Grafton	0.79%	1,056
• Brewster	0.75%	1,000
• Monroeville	0.57%	764
• Milan	0.55%	737
• Oak Harbor	0.55%	737
• Elmore	0.27%	364
• Jackson Center	0.22%	300
• Napoleon	0.20%	264
• Lodi	0.16%	218
• Genoa	0.15%	199
• Pemberville	0.15%	197
• Lucas	0.12%	161
• South Vienna	0.09%	123
• Bradner	0.09%	119
• Woodville	0.06%	81
• Haskins	0.05%	73
• Arcanum	0.03%	44
• Custar	<u>0.00%</u>	<u>4</u>
	100.0%	134,081

***Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5)***

The Village of Bradner is a Financing Participant with an ownership percentage of .35%, and shares participation with forty-one 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 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations 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 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. On dissolution of OMEGA JV5, the net assets 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, Bradner has met their debt coverage obligation.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

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 JV5 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. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The Village's net investment to date in OMEGA JV5 was \$10,458 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](http://www.ohioauditor.gov).

**Note 14 – 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 12. 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 Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

	<u>2019</u>
Total Fund Cash Balance	\$1,673,679
Total Long-Term Debt	\$79,049
 <b>Condensed Operating Information:</b>	
Operating Receipts	
Charges for Services	\$844,774
Other Operating Receipts	94
Total Operating Receipts	<u>844,868</u>
Operating Expenses	
Personal Services	57,848
Employee Fringe Benefits	17,718
Contractual Services	535,575
Supplies and Materials	43,903
Other	28,260
Total Operating Expenses	<u>683,304</u>
Operating Income (Loss)	161,564
Nonoperating Receipts (Disbursements)	
Principal Payments	(26,813)
Interest Payments	(1,785)
Other Nonoperating Receipts (Disbursements)	<u>(30,121)</u>
Change in Fund Cash Balance	102,845
Beginning Fund Cash Balance	<u>1,570,834</u>
Ending Fund Cash Balance	<u><u>\$1,673,679</u></u>
 <b>Condensed Cash Flows Information:</b>	
	<u>2019</u>
Net Cash Provided (Used) by:	
Operating Activities	\$161,564
Capital and Related Financing Activities	
Principal Payments on Capital and Related Debt	(26,813)
Interest Payments on Capital and Related Debt	(1,785)
Other Capital and Related Financing Activities	<u>(30,121)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(58,719)</u>
Net Increase (Decrease)	102,845
Beginning Fund Cash Balance	<u>1,570,834</u>
Ending Fund Cash Balance	<u><u>\$1,673,679</u></u>

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

**Note 15 – Long-Term Purchase Commitments**

***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 intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 724 kilowatts of a total 771,281 kilowatts, giving the Village a 0.09 percent 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. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 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 at March 31, 2014 of the impaired costs was \$126,113. The Village received a credit of \$13,971 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$32,743 related to the AMPGS costs deemed to have future benefit for the project participants. In addition, the Village made payments of \$4,038 leaving a net impaired cost estimate of \$75,360. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments. 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 AMP General Fund's project share.

Since March 31, 2014, the Village has made payments of \$57,611 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 \$1,520 and interest expense incurred on AMP's line-of-credit of \$2,914, resulting in a net impaired cost estimate at December 31, 2019 of \$22,184. The Village does have a potential Plant Held for Future Use (PHFU) Liability of \$36,358 resulting in a net total potential liability of \$58,542, 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 five years through a power cost adjustment.

***Combined Hydroelectric Projects (79 Members)***

AMP owns and operates three hydroelectric facilities, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the "Combined Hydroelectric Project"), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Project facilities entailed the installation of run-of-the-river hydroelectric generating facilities on existing United States Army Corps of Engineers' dams and includes associated transmission facilities. The Combined Hydroelectric Project, including associated transmission facilities, are operated by AMP. AMP holds the licenses from FERC for the Combined Hydroelectric Project.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

The Cannelton Hydro facility, 88MW, in operation as of June 7, 2016, is located on the Kentucky shore of the Cannelton Locks and Dam on federal land. AMP has a FERC license for the project that expires May 31, 2041. The hydro project diverts water from the locks and dam through bulb turbines, which have a horizontal shaft and Kaplan-type turbines. The site includes an intake channel, a reinforced concrete powerhouse (to house turbine and 3 generator units), and a tailrace or downstream channel.

The Willow Island Hydro facility, 44MW, in operation as of February 4, 2016, diverts water from the existing Willow Island Locks and Dam through bulb turbines. The FERC license for the Willow Project expires August 31, 2030. Average gross annual output is 279 million kWh. The powerhouse houses two horizontal 29.3 MW bulb type turbines and generating units.

The Smithland Hydro facility, 76MW, in operation as of September 1, 2017, is located 62.5 miles upstream of the confluence of the Ohio and Mississippi Rivers. The Smithland project has a FERC license that expires May 31, 2038. The powerhouse houses three horizontal 29.3 MW bulb type turbines and generating units. Average gross annual output is 379 million kWh.

To provide financing for the Combined Hydroelectric Project, in 2009 and 2010 AMP issued in seven series \$2,045,425,000 of its Combined Hydroelectric Project Revenue Bonds (the "Combined Hydroelectric Bonds"), consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members.

In addition, AMP issued the Combined Hydro Project Revenue Bonds, Series 2016A (Green Bonds) (the "Series 2016A Bonds") for \$209,530,000 on October 6, 2016. The bonds were used to finance final completion costs and also reimbursement to the AMP credit line, which provided interim financing for costs related to construction, fund a deposit to the Parity Common Reserve Account, deposit to Escrow Account and pay the cost of issuance of the Series 2016A. The purpose of the "Green bonds" label is to allow investors to invest in an environmentally beneficial project.

As of December 31, 2019 the total outstanding Hydro Project debt on AMP's books is approximately \$2,225,515,963.

The Village of Bradner has executed a take-or-pay power sales contract with AMP for 200 kW or .10% of capacity and associated energy from the Combined hydro facilities.

***Prairie State Energy Campus (68 Members)***

On December 20, 2007, AMP acquired 368,000 kW or an effective 23.26% undivided ownership interest (the "PSEC Ownership Interest") in the Prairie State Energy Campus ("PSEC"), a planned 1,600 MW coal-fired power plant and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company ("AMP 368 LLC"). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007.

On June 12, 2012, Unit 1 of the PSEC began commercial operation and on November 2, 2012 Unit 2 of the PSEC began commercial operation.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the "Prairie State Power Sales Contract") with 68 Members (the "Prairie State Participants"). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

**Village of Bradner**  
**Wood County**  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

---

AMP's share of the total Project costs, including AMP's share of PSEC capital improvements through 2016, resulted in the issuance by AMP of approximately \$1.697 billion of debt. These costs include (i) AMP's costs of acquisition of its Ownership Interest and its share of the cost of construction of the PSEC, including an allowance for contingencies, (ii) capitalized interest during and after the scheduled in service dates of the two PSEC Units, (iii) costs of issuance associated with both the interim and long-term financing for the Project and (iv) deposits to the Parity Common Reserve Account for the Bonds issued to permanently finance the Project. As of December 31, 2019 the outstanding obligation on Prairie State project is \$1,495,245,000.

The Village of Bradner has executed a take-or-pay power sales contract with AMP for 199 kW or .05% kW of capacity and associated energy from the Prairie State facility.

***AMP Fremont Energy Center (AFEC)***

AFEC is a 707 MW natural gas fired combined cycle generation plant with a Base Capacity of 512 MW, located near the City of Fremont, Ohio. AMP acquired AFEC on July 28, 2011. AMP's acquisition of the plant was financed with draws on an additional line of credit for \$600,000,000 secured solely for the purpose of purchasing the plant.

To provide permanent financing for the AFEC Project on June 29, 2012 AMP issued in two series \$546,085,000 of its AMP Fremont Center Project Revenue Bonds consisting of taxable and tax-exempt obligations to (i) with other available funds, repay the \$600,000,000 principal amount of an interim loan that financed the acquisition and development costs and completion of construction and commissioning of AFEC; (ii) make deposits to the Construction Accounts under the Indenture to finance additional capital expenditures; (iii) fund deposits to certain reserve accounts; and (iv) pay the costs of issuance of the Series 2012 Bonds.

On January 21, 2012 the AMP Fremont Energy Center ("AFEC") began commercial operation. The total cost of construction of AFEC at the date it was placed in service was \$582,200,642. This amount included a development fee of \$35,535,448 paid by AFEC participants for the account of AMP Generating Station participants who are also AFEC participants. The amount was previously recorded as a noncurrent regulatory asset at December 31, 2011. In June 2012, AMP sold 26.419 MW or a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency ("MPPA") and entered into a power sales contract with Central Virginia Electric Cooperative ("CVEC") for the output of a 21.248 MW or 4.15% interest in AFEC. AMP has sold the output of the remaining 464.355 MW or 90.69% interest to the AFEC participants, which consist of the 87 members, pursuant to a take-or-pay power sales contract. As of December 31, 2019 the outstanding obligation on the Fremont Energy Center ("AFEC") on AMP's books is \$489,280,000.

The Village of Bradner has executed a take-or-pay power sales contract with AMP for 130 kW or .03% of capacity and associated energy from the AFEC facility.

**Note 16 – 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 continuing emergency measures may 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.

**This page intentionally left blank.**



# OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420  
Toledo, Ohio 43604-2246  
(419) 245-2811 or (800) 443-9276  
NorthwestRegion@ohioauditor.gov

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

Village of Bradner  
Wood County  
130 North Main Street  
P.O. Box 599  
Bradner, Ohio 43406-0599

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary, and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Bradner, Wood County, Ohio, (the Village) and have issued our report thereon dated October 26, 2021 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the Village adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. In addition, we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2020-001 and 2020-002 to be material weaknesses.

***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 financial statement. 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2020-002 and 2020-003.

***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.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 26, 2021

**VILLAGE OF BRADNER  
WOOD COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2020-001**

**Material Weakness – Financial Monitoring**

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 errors were noted in the accompanying 2020 and 2019 financial statements:

- In 2020, fines, licenses and permit revenues in the Mayor’s Court fund in the amount of \$39,869 were not classified in accordance with Governmental Accounting Standards Board Statement No. 84 requirements. In addition, other expenditures in the amount of \$41,298 in the Mayor’s Court fund were not classified in accordance with Governmental Accounting Standards Board Statement No. 84 requirements. The Mayor’s Court fund activity was inappropriately combined with the General Fund on the Village’s financial statements.
- In 2020, charges for service revenues in the amount of \$80,861 in the Debt Service fund were classified as miscellaneous revenue.
- In 2019, charges for service revenues in the Debt Service fund were classified as miscellaneous revenue and other financing sources in the amounts of \$46,882 and \$33,642, respectively.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Council making misinformed decisions. The accompanying financial statements have been adjusted to correct these errors. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$36 to \$14,618 that we have brought to the Village’s attention.

To help ensure the Village’s financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Council, to identify and correct errors and omissions.

**FINDING NUMBER 2020-002**

**Noncompliance and Material Weakness**

**Ohio Rev. Code § 5705.10(F)** requires revenue received from the sale of a permanent improvement to be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements. **Ohio Rev. Code § 5705.01(E)** defines “permanent improvement” or “improvement” to mean “any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more.”

In 2020, the Village sold a bucket truck in the amount of \$18,400. The Village inappropriately recorded revenues from the sale of this item in the Electric Operating Fund. Given the source of the revenue, the proceeds of \$18,400 should have been recorded in the Capital Project Fund.

In 2019, the Village sold a tanker truck in the amount of \$7,750. The Village inappropriately recorded revenues from the sale of this item in the Fire Fund. Given the source of the revenue, the proceeds of \$7,750 should have been recorded in the Capital Project Fund.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed and posted to the proper funds.

### **FINDING NUMBER 2020-003**

#### **Noncompliance**

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's Street Construction Maintenance and Repair Fund, Fire Fund, and Electric Operating Fund had expenditures in excess of appropriations of \$15,461, \$34,223, and \$507,184, as of December 31, 2020, respectively.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

#### **Officials' Response:**

We did not receive a response from Officials to the findings reported above.

# Village of Bradner

130 North Main Street - Box 599  
Bradner, Ohio 43406  
Telephone (419) 288-2890  
Fax (419) 288-0053

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Material weakness due to posting errors were noted resulting in adjustments posted to the financial statements. This issue was first reported in the 2007-2008 audit.	Not corrected and repeated in this report as Finding 2020-001.	The Fiscal Officer was unaware of the errors and will review the proper procedures and make corrections in the future.
2018-002	Ohio Rev. Code § 5705.39 for appropriations in excess of estimated resources.	Fully corrected.	
2018-003	Ohio Rev. Code § 5705.41(B) for expenditures in excess of appropriations.	Not corrected and repeated in this report as Finding 2020-003.	The Fiscal Officer was unaware of the errors and will review the proper procedures and make corrections in the future.



1899-1999

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF BRADNER**

**WOOD COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 11/16/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)