



**VILLAGE OF BRADNER
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022-2021

VILLAGE OF BRADNER
WOOD COUNTY

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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 Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Bradner, Wood County, Ohio (the Village), which comprises 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 years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying 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 years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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

September 27, 2023

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Village of Bradner, Ohio
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, 2022

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$46,566	\$23,679	\$10,298		\$80,543
Municipal Income Tax	108,611	29,620		\$59,242	197,473
Intergovernmental	64,930	177,945	1,693		244,568
Special Assessments		29,863			29,863
Charges for Services	133	112,779	81,318		194,230
Fines, Licenses and Permits	19,315	1,045		490	20,850
Earnings on Investments	4,815				4,815
Miscellaneous	6,524	551		965	8,040
<i>Total Cash Receipts</i>	<u>250,894</u>	<u>375,482</u>	<u>93,309</u>	<u>60,697</u>	<u>780,382</u>
Cash Disbursements					
Current:					
Security of Persons and Property	80,263	73,940			154,203
Public Health Services	405				405
Leisure Time Activities		37,990			37,990
Community Environment	1,303	4,655			5,958
Basic Utility Services		4,407			4,407
Transportation		67,073			67,073
General Government	97,080	5,770	148		102,998
Capital Outlay		61,080		26,716	87,796
Debt Service:					
Principal Retirement			66,587		66,587
Interest and Fiscal Charges			20,750		20,750
<i>Total Cash Disbursements</i>	<u>179,051</u>	<u>254,915</u>	<u>87,485</u>	<u>26,716</u>	<u>548,167</u>
<i>Excess of Receipts Over Disbursements</i>	<u>71,843</u>	<u>120,567</u>	<u>5,824</u>	<u>33,981</u>	<u>232,215</u>
Other Financing Receipts (Disbursements)					
Transfers In			11,523	5,000	16,523
Transfers Out	(5,000)				(5,000)
Advances Out	(6,187)				(6,187)
Other Financing Uses	(1,507)	(21)			(1,528)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(12,694)</u>	<u>(21)</u>	<u>11,523</u>	<u>5,000</u>	<u>3,808</u>
<i>Net Change in Fund Cash Balances</i>	59,149	120,546	17,347	38,981	236,023
<i>Fund Cash Balances, January 1</i>	<u>279,765</u>	<u>800,271</u>	<u>213,522</u>	<u>304,086</u>	<u>1,597,644</u>
<i>Fund Cash Balances, December 31</i>	<u>\$338,914</u>	<u>\$920,817</u>	<u>\$230,869</u>	<u>\$343,067</u>	<u>\$1,833,667</u>

See accompanying notes to the basic financial statements

Village of Bradner, Ohio
Wood County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Proprietary Fund Types
For the Year Ended December 31, 2022

	Enterprise
Operating Cash Receipts	
Charges for Services	\$1,207,948
Miscellaneous	32,770
	1,240,718
Operating Cash Disbursements	
Personal Services	149,358
Employee Fringe Benefits	33,583
Contractual Services	640,365
Supplies and Materials	66,036
Other	23,559
	912,901
<i>Total Operating Cash Disbursements</i>	<i>912,901</i>
<i>Operating Income</i>	<i>327,817</i>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	13,809
Intergovernmental Receipts	4,646
Miscellaneous Receipts	496
Capital Outlay	(196,927)
Excise Tax Payment - Electric	(2,344)
Principal Retirement	(60,004)
Other Financing Sources	1,168
Other Financing Uses	(4,312)
	(243,468)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(243,468)</i>
<i>Income before Transfers and Advances</i>	<i>84,349</i>
Transfers Out	(11,523)
Advances In	6,187
	79,013
<i>Net Change in Fund Cash Balances</i>	<i>79,013</i>
<i>Fund Cash Balances, January 1</i>	<i>3,025,864</i>
<i>Fund Cash Balances, December 31</i>	<i>\$3,104,877</i>

See accompanying notes to the basic financial statements

Village of Bradner, Ohio
 Wood County
 Combined Statement of Additions, Deductions
 and Changes in Fund Balances (Regulatory Cash Basis)
 All Fiduciary Fund Types
 For the Year Ended December 31, 2022

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$12,576
Deductions	
Distributions to Other Governments	2,369
Distributions to Other Funds	10,912
<i>Total Deductions</i>	13,281
<i>Net Change in Fund Balances</i>	(705)
<i>Fund Cash Balances, January 1</i>	949
<i>Fund Cash Balances, December 31</i>	\$244

See accompanying notes to the basic financial statements

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Bradner (the Village), Wood County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric, water and sewer utilities, park operations, police services, fire protection services, and ambulance 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, 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.

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:

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.

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.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Street Capital Improvement Fund This fund receives municipal income tax money restricted for the repair and improvement of the Village's streets.

Electric Capital Projects Fund This fund is restricted for the repair and improvement of the Village's electrical system.

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

Water Fund The water fund receives charges for services from the residents and commercial users to cover water service costs.

Sewer Fund The sewer fund receives charges for services from the residents and commercial users to cover sewer service costs.

Electric Fund The electric fund receives charges for services from the residents and commercial users to cover electrical service costs.

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.

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 (C) permit.

Budgetary Process

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

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 2022 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.

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. 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.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 12.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Sanitary Sewer Debt Service, Income Tax – Street Capital Improvement, and New Fire Station funds by \$9,063, \$22,200, and \$4,516, respectively, for the year ended December 31, 2022.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$241,347	\$250,894	\$9,547
Special Revenue	280,150	375,482	95,332
Debt Service	83,724	104,832	21,108
Capital Projects	53,600	65,697	12,097
Enterprise	1,302,087	1,267,024	(35,063)
Total	<u>\$1,960,908</u>	<u>\$2,063,929</u>	<u>\$103,021</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$269,960	\$194,696	\$75,264
Special Revenue	285,247	258,199	27,048
Debt Service	84,555	87,485	(2,930)
Capital Projects	25,550	26,716	(1,166)
Enterprise	1,545,870	1,298,785	247,085
Total	<u>\$2,211,182</u>	<u>\$1,865,881</u>	<u>\$345,301</u>

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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:

	<u>2022</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$3,907,126
Certificates of deposit	750,001
Total deposits	<u>4,657,127</u>
STAR Ohio	281,661
Total investments	<u>281,661</u>
Total carrying amount of deposits and investments held in the Pool	<u><u>\$4,938,788</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. At December 31, 2022, the village is holding \$8,536 in unremitted employee 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.

At December 31, 2022, \$1,264,142 of deposits were not insured or collateralized due to reduced collateral floor by OPCS.

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.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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 – 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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 8 – 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, 2022.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2022.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 10 – Debt

Debt outstanding at December 31, 2022, was as follows:

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

	Principal	Interest Rate
Farmers Home Adm (Sanitary Sewer Bond 01)	\$329,000	5.00%
Farmers Home Adm (Sanitary Sewer Bond 04)	40,000	5.00%
OPWC Loan #CE21F (Water System Improvement)	3,798	0.00%
OPWC Loan #CE34K (Road Project)	22,750	0.00%
OWDA Loan #5556	77,033	0.00%
OPWC Loan #CE19N (Maple Street Water Main Replacement)	28,847	0.00%
OPWC Loan #CE45O (Waterline and Fire Line Loop)	28,392	0.00%
OWDA Loan #7027 (Well Supply & Treatment)	701,642	0.00%
AMP - JV5	125,950	Variable
Total	<u>\$1,357,153</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 # 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 # 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 # 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.

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.

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.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Amortization

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

Year Ending December 31:	Sanitary Sewer Bond 01	Sanitary Sewer Bond 04	OPWC Loan #CE21F	OPWC Loan #CE34K	OWDA Loan #5556
2023	\$57,450	\$10,000	\$2,532	\$3,250	\$9,062
2024	56,400	9,600	1,266	3,250	9,063
2025	57,300	9,200		3,250	9,062
2026	56,050	8,800		3,250	9,063
2027	57,750	8,400		3,250	9,062
2028-2032	112,950			6,500	31,721
2031-2035					
2036-2040					
2041-2045					
2046					
Total	<u>\$397,900</u>	<u>\$46,000</u>	<u>\$3,798</u>	<u>\$22,750</u>	<u>\$77,033</u>

Year Ending December 31:	OPWC Loan #CE19N	OPWC Loan #CE45O	OWDA Loan #7027
2023	\$3,036	\$2,704	\$29,235
2024	3,036	2,704	29,235
2025	3,037	2,704	29,235
2026	3,037	2,704	29,235
2027	3,037	2,704	29,235
2028-2032	13,664	13,520	146,175
2033-2037		1,352	146,175
2038-2042			146,175
2043-2047			116,942
Total	<u>\$28,847</u>	<u>\$28,392</u>	<u>\$701,642</u>

Note 11 – 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.

Note 12 – 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, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$2,951	\$3,263	\$6,214

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 projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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, 2022, \$87,500 principal amount of JV2 obligations was outstanding and held on the Line of Credit. The Village's net investment in OMEGA JV2 was \$(929) at December 31, 2022. Complete financial statement for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2022 were as follows:

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

<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, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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, 2022, 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, 2022. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at 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, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

	<u>2022</u>
Total Fund Cash Balance	\$1,746,714
Total Long-Term Debt	\$125,950
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	\$834,132
Other Operating Receipts	<u>4,071</u>
Total Operating Receipts	838,203
 Operating Expenses	
Personal Services	53,719
Employee Fringe Benefits	13,015
Contractual Services	573,524
Supplies and Materials	28,042
Other	<u>23,559</u>
Total Operating Expenses	691,859
 Operating Income (Loss)	 146,344
 Nonoperating Receipts (Disbursements)	
Principal Payments	(30,769)
Interest Payments	
Other Nonoperating Receipts (Disbursements)	<u>(3,413)</u>
Change in Fund Cash Balance	112,162
Beginning Fund Cash Balance	<u>1,634,552</u>
Ending Fund Cash Balance	<u><u>\$1,746,714</u></u>
 Condensed Cash Flows Information:	
	<u>2022</u>
Net Cash Provided (Used) by:	
Operating Activities	\$146,344
 Noncapital Financing Activities	
Principal Payments on Noncapital Debt	(30,769)
Interest Payments on Noncapital Debt	
Other Noncapital Financing Activities	<u>(3,413)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	(34,182)
 Net Increase (Decrease)	 112,162
Beginning Fund Cash Balance	<u>1,634,552</u>
Ending Fund Cash Balance	<u><u>\$1,746,714</u></u>

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 \$1559 and interest expense incurred on AMP's line-of-credit of \$3,945, resulting in a net impaired cost estimate at December 31, 2022 of \$23,254. The Village does have a potential Plant Held for Future Use (PHFU) Liability of \$38,126 resulting in a net total potential liability of \$61,380, 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, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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, 2022, the total outstanding Hydro Project debt on AMP's books is approximately \$2,095,038,235.

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, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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, 2022, the outstanding obligation on Prairie State project is \$1,380,660,000.

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, 2022, the outstanding obligation on the Fremont Energy Center ("AFEC") on AMP's books is \$393,905,000.

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 Village of Bradner was awarded a Fiscal Year 2022 Congressionally Directed Spending Grant in the amount of \$1,260,000 to be used towards the construction of a fire station. The USDA Rural Development processes these grants. As of December 31, 2022, no funds had been received by the Village.

Village of Bradner, Ohio
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, 2021

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
Cash Receipts					
Property and Other Local Taxes	\$50,286	\$23,530	\$8,604		\$82,420
Municipal Income Tax	102,049	27,832		\$55,663	185,544
Intergovernmental	59,712	142,086	1,438		203,236
Special Assessments		29,672			29,672
Charges for Services	239	90,226	79,595		170,060
Fines, Licenses and Permits	43,643	4,922		1,579	50,144
Earnings on Investments	343				343
Miscellaneous	280	4,334		5,596	10,210
<i>Total Cash Receipts</i>	<u>256,552</u>	<u>322,602</u>	<u>89,637</u>	<u>62,838</u>	<u>731,629</u>
Cash Disbursements					
Current:					
Security of Persons and Property	85,235	86,468			171,703
Public Health Services	407				407
Leisure Time Activities		42,509			42,509
Community Environment	4,109	4,600			8,709
Basic Utility Services		18,629			18,629
Transportation	2,464	59,272			61,736
General Government	88,279	18,687	114		107,080
Capital Outlay		22,250		31,517	53,767
Debt Service:					
Principal Retirement			59,825		59,825
Interest and Fiscal Charges			23,000		23,000
<i>Total Cash Disbursements</i>	<u>180,494</u>	<u>252,415</u>	<u>82,939</u>	<u>31,517</u>	<u>547,365</u>
<i>Excess of Receipts Over Disbursements</i>	<u>76,058</u>	<u>70,187</u>	<u>6,698</u>	<u>31,321</u>	<u>184,264</u>
Other Financing Receipts (Disbursements)					
Transfers In			11,519		11,519
Advances Out	(6,187)				(6,187)
Other Financing Sources	1,235				1,235
Other Financing Uses	(6,159)	(23)			(6,182)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(11,111)</u>	<u>(23)</u>	<u>11,519</u>		<u>385</u>
<i>Net Change in Fund Cash Balances</i>	64,947	70,164	18,217	31,321	184,649
<i>Fund Cash Balances, January 1</i>	<u>214,818</u>	<u>730,107</u>	<u>195,305</u>	<u>272,765</u>	<u>1,412,995</u>
<i>Fund Cash Balances, December 31</i>	<u>\$279,765</u>	<u>\$800,271</u>	<u>\$213,522</u>	<u>\$304,086</u>	<u>\$1,597,644</u>

See accompanying notes to the basic financial statements

Village of Bradner, Ohio
Wood County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Proprietary Fund Types
For the Year Ended December 31, 2021

	Enterprise
Operating Cash Receipts	
Charges for Services	\$1,215,643
Miscellaneous	31,091
	1,246,734
Operating Cash Disbursements	
Personal Services	170,015
Employee Fringe Benefits	30,117
Contractual Services	680,284
Supplies and Materials	58,074
Other	23,971
	962,461
<i>Total Operating Cash Disbursements</i>	<i>962,461</i>
<i>Operating Income</i>	<i>284,273</i>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	13,759
Intergovernmental Receipts	3,001
Miscellaneous Receipts	10,244
Capital Outlay	(23,853)
Excise Tax Payment - Electric	(996)
Principal Retirement	(60,433)
Other Financing Sources	7,580
Other Financing Uses	(3,196)
	(53,894)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(53,894)</i>
<i>Income before Transfers and Advances</i>	<i>230,379</i>
Transfers Out	(11,519)
Advances In	6,187
	225,047
<i>Net Change in Fund Cash Balances</i>	<i>225,047</i>
<i>Fund Cash Balances, January 1</i>	<i>2,800,817</i>
<i>Fund Cash Balances, December 31</i>	<i>\$3,025,864</i>

See accompanying notes to the basic financial statements

Village of Bradner, Ohio
Wood County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2021

	Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$46,827
Deductions	
Distributions to Other Governments	9,122
Distributions to Other Funds	38,466
<i>Total Deductions</i>	<i>47,588</i>
<i>Net Change in Fund Balances</i>	<i>(761)</i>
<i>Fund Cash Balances, January 1</i>	<i>1,710</i>
<i>Fund Cash Balances, December 31</i>	<i>\$949</i>

See accompanying notes to the basic financial statements

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Bradner (the Village), Wood County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric, water and sewer utilities, park operations, police services, fire protection services, and ambulance 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, 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.

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:

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.

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.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

Street Capital Improvement Fund This fund receives municipal income tax money restricted for the repair and improvement of the Village's streets.

Electric Capital Projects Fund This fund is restricted for the repair and improvement of the Village's electrical system.

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

Water Fund The water fund receives charges for services from the residents and commercial users to cover water service costs.

Sewer Fund The sewer fund receives charges for services from the residents and commercial users to cover sewer service costs.

Electric Fund The electric fund receives charges for services from the residents and commercial users to cover electrical service costs.

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.

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 (C) permit.

Budgetary Process

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

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 2021 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.

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. 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.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 12.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Electric Operating and Sanitary Sewer Capital Project funds by \$250,409 and \$7,667, respectively, for the year ended December 31, 2021.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$258,063	\$257,787	(\$276)
Special Revenue	317,664	322,602	4,938
Debt Service	115,163	101,156	(14,007)
Capital Projects	54,000	62,838	8,838
Enterprise	1,364,380	1,287,505	(76,875)
Total	\$2,109,270	\$2,031,888	(\$77,382)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$243,087	\$198,635	\$44,452
Special Revenue	331,028	292,653	38,375
Debt Service	89,624	88,701	923
Capital Projects	65,000	31,517	33,483
Enterprise	945,731	1,106,458	(160,727)
Total	\$1,674,470	\$1,717,964	(\$43,494)

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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:

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$3,184,776
Certificates of deposit	1,162,758
Total deposits	4,347,534
STAR Ohio	276,923
Total investments	276,923
Total carrying amount of deposits and investments held in the Pool	\$4,624,457

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. At December 31, 2021, the village is holding \$10,654 in unremitted employee 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.

At December 31, 2021, \$812,808 of deposits were not insured or collateralized due to reduced collateral floor by OPCS.

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.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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 – 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.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 8 – 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, 2021.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Note 9 – 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 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 10 – Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Farmers Home Adm (Sanitary Sewer Bond 01)	\$367,000	5.00%
Farmers Home Adm (Sanitary Sewer Bond 04)	48,000	5.00%
OPWC Loan #CE21F (Water System Improvement)	6,331	0.00%
OPWC Loan #CE34K (Road Project)	26,000	0.00%
OWDA Loan #5556	86,096	0.00%
OPWC Loan #CE19N (Maple Street Water Main Replacement)	31,884	0.00%
OPWC Loan #CE45O (Waterline and Fire Line Loop)	31,096	0.00%
OWDA Loan #7027 (Well Supply & Treatment)	730,878	0.00%
AMP - JV5	156,707	Variable
Total	<u>\$1,483,746</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.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 # 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 # 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.

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.

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	OPWC Loan #CE21F	OPWC Loan #CE34K	OWDA Loan #5556
2022	\$56,350	\$10,400	\$2,532	\$3,250	\$9,063
2023	57,450	10,000	2,533	3,250	9,062
2024	56,400	9,600	1,266	3,250	9,063
2025	57,300	9,200		3,250	9,062
2026	56,050	8,800		3,250	9,063
2027-2031	170,700	8,400		9,750	40,783
Total	<u>\$454,250</u>	<u>\$56,400</u>	<u>\$6,331</u>	<u>\$26,000</u>	<u>\$86,096</u>

Village of Bradner, Ohio
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Notes to the Financial Statements
For the Year Ended December 31, 2021

Year Ending December 31:	OPWC Loan #CE19N	OPWC Loan #CE45O	OWDA Loan #7027
2022	\$3,036	\$2,704	\$29,235
2023	3,036	2,704	29,235
2024	3,036	2,704	29,235
2025	3,037	2,704	29,235
2026	3,037	2,704	29,235
2027-2031	15,183	13,521	146,175
2032-2036	1,519	4,055	146,176
2037-2041			146,176
2042-2046			146,176
Total	<u>\$31,884</u>	<u>\$31,096</u>	<u>\$730,878</u>

Note 11 – 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.

Note 12 – 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:

Fund Balances	General	Special Revenue	Debt Service	Total
Outstanding Encumbrances	<u>\$5,795</u>	<u>\$40,215</u>	<u>\$5,762</u>	<u>\$51,772</u>

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 projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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.

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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, 2022/21, \$87,500/\$936,441 principal amount of JV2 obligations was outstanding and held on the Line of Credit. The Village's net investment in OMEGA JV2 was \$(472) at December 31, 2021. Complete financial statement for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2021 were as follows:

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

<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, Ohio
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Notes to the Financial Statements
For the Year Ended December 31, 2021

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, 2021, 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, 2021. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at 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, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

	<u>2021</u>
Total Fund Cash Balance	\$1,634,552
Total Long-Term Debt	\$156,707
 Condensed Operating Information:	
Operating Receipts	
Charges for Services	\$850,774
Other Operating Receipts	<u>0</u>
Total Operating Receipts	850,774
 Operating Expenses	
Personal Services	61,159
Employee Fringe Benefits	7,786
Contractual Services	603,853
Supplies and Materials	19,971
Other	<u>23,971</u>
Total Operating Expenses	716,740
 Operating Income (Loss)	 134,034
 Nonoperating Receipts (Disbursements)	
Principal Payments	(31,198)
Interest Payments	
Other Nonoperating Receipts (Disbursements)	<u>15,151</u>
Change in Fund Cash Balance	117,987
Beginning Fund Cash Balance	<u>1,516,565</u>
Ending Fund Cash Balance	<u><u>\$1,634,552</u></u>
 Condensed Cash Flows Information:	
	<u>2021</u>
Net Cash Provided (Used) by:	
Operating Activities	\$134,034
 Noncapital Financing Activities	
Principal Payments on Noncapital Debt	(31,198)
Interest Payments on Noncapital Debt	
Other Noncapital Financing Activities	<u>15,151</u>
Net Cash Provided (Used) by Noncapital Financing Activities	(16,047)
 Net Increase (Decrease)	 117,987
Beginning Fund Cash Balance	<u>1,516,565</u>
Ending Fund Cash Balance	<u><u>\$1,634,552</u></u>

Village of Bradner, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 \$1,541 and interest expense incurred on AMP's line-of-credit of \$3,440, resulting in a net impaired cost estimate at December 31, 2021 of \$22,731. The Village does have a potential Plant Held for Future Use (PHFU) Liability of \$37,183 resulting in a net total potential liability of \$59,914, 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, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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, 2021, the total outstanding Hydro Project debt on AMP's books is approximately \$2,119,182,647.

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, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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, 2021, the outstanding obligation on Prairie State project is \$1,413,165,000.

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, 2021, the outstanding obligation on the Fremont Energy Center ("AFEC") on AMP's books is \$405,280,000.

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 Village of Bradner was awarded a Fiscal Year 2022 Congressionally Directed Spending Grant in the amount of \$1,260,000 to be used towards the construction of a fire station. The USDA Rural Development processes these grants. As of December 31, 2021, no funds had been received by the Village.



88 East Broad Street
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**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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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 years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Bradner, Wood County, Ohio (the Village) and have issued our report thereon dated September 27, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-002.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the finding identified in our audit and described in the accompanying schedule of findings. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 27, 2023

**VILLAGE OF BRADNER
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

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

FINDING NUMBER 2022-001

Material Weakness – Financial Reporting

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 2022 and 2021 financial statements:

- In 2022, fines, licenses and permits revenues of \$12,576 and distributions to other funds of \$13,281 were correctly posted to the ledgers, but were incorrectly rolled up into the General fund instead of the Custodial fund on the financial statements.
- In 2022, charges for service revenues in the amount of \$81,318 in the Debt Service fund were incorrectly classified as Miscellaneous Revenue.
- In 2022, distributions from the Mayor's Court Custodial Fund in the amount \$2,369 were incorrectly classified as Distributions to Other Funds instead of Distributions to Other Governments.
- In 2021, charges for service revenues in the amount of \$79,595 in the Debt Service fund were incorrectly classified as Miscellaneous Revenue.
- In 2021, distributions from the Mayor's Court Custodial Fund in the amount \$9,122 were incorrectly classified as Distributions to Other Funds instead of Distributions to Other Governments.

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 Village Council making misinformed decisions. The accompanying financial statements, notes to the financial statements, and accounting records have been adjusted to correct these errors. In addition to the adjustments noted above, we also identified misstatements ranging from \$170 to \$640 that we have brought to the Village's attention.

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 Village Council, to identify and correct errors and omissions.

Officials' Response:

When completing year-end financials, the Custodial Fund will be kept separate from the General Fund. A revenue account has been established in the Debt Service Fund to record Other-Charges for Services and an expenditure account has been established in the Mayor's Court Custodial Fund to record Distributions to Other Governments separately.

FINDING NUMBER 2022-002

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 had the following expenditures in excess of appropriations as of December 31, 2022 and 2021:

- As of December 31, 2022, the Sanitary Sewer Debt Service fund had expenditures in excess of appropriations of \$9,063.
- As of December 31, 2022, the Income Tax - Street Capital Improvement fund had expenditures in excess of appropriations of \$22,200.
- As of December 31, 2022, the New Fire Station fund had expenditures in excess of appropriations of \$4,516.
- As of December 31, 2021, the Electric Operating Fund had expenditures in excess of appropriations of \$250,409.
- As of December 31, 2021, the Sanitary Sewer Capital Projects fund had expenditures in excess of appropriations of \$7,667.

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.

The Village 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:

Amendments to the Permanent Appropriations, including reallocations between accounts, will be made as necessary and presented to Council for approval.

Village of Bradner
130 North Main Street - Box 599
Bradner, Ohio 43406
Telephone (419) 288-2890
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	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 2022-001.	The Fiscal Officer was unaware of the errors and will review the proper procedures and make corrections in the future.
2020-002	Material Weakness and Ohio Rev. Code § 5701.10(F) for the sale of permanent improvements posted to the incorrect fund.	Fully corrected.	
2020-003	Ohio Rev. Code § 5705.41(B) for expenditures in excess of appropriations. This issue was first reported in the 2017-2018 audit.	Not corrected and repeated in this report as Finding 2022-002.	The Fiscal Officer was unaware of the errors and will review the proper procedures and make corrections in the future.



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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 10/10/2023

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