



**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY  
Regular Audit  
For the Years Ended December 31, 2019 and 2018**

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740 373 0056

1907 Grand Central Ave.  
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KEITH FABER



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Village Council  
Village of Baltimore  
103 West Market Street  
Baltimore, Ohio 43105

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Baltimore is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

October 1, 2020

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VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report.....	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2019 .....	3
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2019 .....	4
Notes to the Financial Statements 2019 .....	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2018 .....	15
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2018 .....	16
Notes to the Financial Statements 2018 .....	17
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	27
Schedule of Prior Audit Findings .....	29

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## INDEPENDENT AUDITOR'S REPORT

August 25, 2020

Village of Baltimore  
Fairfield County  
103 West Market Street  
Baltimore, Ohio 43105

To the Village Council:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the **Village of Baltimore**, Fairfield County, (the Village) as of and for the years ended December 31, 2019 and 2018.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***Emphasis of Matter***

As discussed in Note 13 to the financial statements, during 2019 and 2018, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2020, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



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



**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 83,538	\$ 36,612	\$ -	\$ 120,150
Municipal Income Tax	506,047	402,963	-	909,010
Intergovernmental	40,885	153,711	349,548	544,144
Special Assessments	-	1,040	-	1,040
Charges for Services	84,597	1,250	-	85,847
Fines, Licenses and Permits	57,086	1,467	-	58,553
Earnings on Investments	14,493	3,737	-	18,230
Miscellaneous	8,198	5,550	-	13,748
<i>Total Cash Receipts</i>	<u>794,844</u>	<u>606,330</u>	<u>349,548</u>	<u>1,750,722</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	300,777	1,366	-	302,143
Public Health Services	16,985	-	-	16,985
Leisure Time Activities	16,839	-	-	16,839
Community Environment	1,822	-	-	1,822
Transportation	-	354,907	-	354,907
General Government	322,795	-	-	322,795
Capital Outlay	15,749	214,828	349,548	580,125
Debt Service:				
Principal Retirement	13,985	18,392	-	32,377
Interest and Fiscal Charges	1,508	102	-	1,610
<i>Total Cash Disbursements</i>	<u>690,460</u>	<u>589,595</u>	<u>349,548</u>	<u>1,629,603</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>104,384</u>	<u>16,735</u>	<u>-</u>	<u>121,119</u>
<b>Other Financing Receipts</b>				
Loans Issued	-	189,401	-	189,401
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>189,401</u>	<u>-</u>	<u>189,401</u>
<i>Net Change in Fund Cash Balances</i>	104,384	206,136	-	310,520
<i>Fund Cash Balances, January 1</i>	<u>162,189</u>	<u>295,222</u>	<u>-</u>	<u>457,411</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	501,358	-	501,358
Assigned	29,281	-	-	29,281
Unassigned	237,292	-	-	237,292
<i>Fund Cash Balances, December 31</i>	<u>\$ 266,573</u>	<u>\$ 501,358</u>	<u>\$ -</u>	<u>\$ 767,931</u>

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

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

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

	Proprietary Fund Types	Fiduciary Fund Types		Totals
	Enterprise	Agency	Private Purpose Trust	(Memorandum Only)
<b>Operating Cash Receipts</b>				
Charges for Services	\$ 2,268,762	\$ -	\$ -	\$ 2,268,762
Fines, Licenses and Permits	-	10,779	-	10,779
Earnings on Investments (trust funds only)	-	-	398	398
Miscellaneous	9,496	-	-	9,496
<i>Total Operating Cash Receipts</i>	<u>2,278,258</u>	<u>10,779</u>	<u>398</u>	<u>2,289,435</u>
<b>Operating Cash Disbursements</b>				
Personal Services	326,723	-	-	326,723
Employee Fringe Benefits	96,676	-	-	96,676
Contractual Services	365,695	-	-	365,695
Supplies and Materials	162,503	-	-	162,503
Other	8,863	11,552	-	20,415
<i>Total Operating Cash Disbursements</i>	<u>960,460</u>	<u>11,552</u>	<u>-</u>	<u>972,012</u>
<i>Operating Income (Loss)</i>	<u>1,317,798</u>	<u>(773)</u>	<u>398</u>	<u>1,317,423</u>
<b>Non-Operating Receipts (Disbursements)</b>				
Property and Other Local Taxes	28,114	-	-	28,114
Special Assessments	9,423	-	-	9,423
Sale of Capital Assets	500	-	-	500
Capital Outlay	(259,518)	-	-	(259,518)
Principal Retirement	(485,918)	-	-	(485,918)
Interest and Other Fiscal Charges	(275,533)	-	-	(275,533)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(982,932)</u>	<u>-</u>	<u>-</u>	<u>(982,932)</u>
<i>Income (Loss) before Transfers</i>	<u>334,866</u>	<u>(773)</u>	<u>398</u>	<u>334,491</u>
Transfers In	50,000	-	-	50,000
Transfers Out	(50,000)	-	-	(50,000)
<i>Net Change in Fund Cash Balances</i>	<u>334,866</u>	<u>(773)</u>	<u>398</u>	<u>334,491</u>
<i>Fund Cash Balances, January 1</i>	<u>824,888</u>	<u>950</u>	<u>20,236</u>	<u>846,074</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,159,754</u>	<u>\$ 177</u>	<u>\$ 20,634</u>	<u>\$ 1,180,565</u>

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

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Note 1 - Reporting Entity**

The Village of Baltimore (the Village), Fairfield County, Ohio is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Basil Joint Fire District to receive fire protection and emergency medical services.

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

The Village participates in three jointly governed organizations and a public entity risk pool. Notes 7 and 12 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

***Special Revenue Funds*** These funds account for and report the proceeds of specific 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 Fund:

***Street Construction, Maintenance, and Repair Fund*** – This 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.

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

***Ohio Public Works Commission (OPWC) Fund*** – The OPWC fund accounts for and reports the activity of the Dorchester Circle and Tremont Resurfacing project.

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

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

VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)

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

***Fund Accounting (Continued)***

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

***Water and Sewer Debt Service Funds*** These funds are used to account for resources accumulated for the payment of long-term debt principal and interest.

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

The Village's private purpose trust fund is for the maintenance and upkeep of the Maple Grove and Basil Memorial Cemeteries.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for the Village's Mayor's Court.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (D) permit.

***Budgetary Process***

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

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

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

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

A summary of 2019 budgetary activity appears in Note 3.

VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)

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

***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.

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

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

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

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

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

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

***Fund Balance (Continued)***

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

**Note 3 – Budgetary Activity**

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

<b>2019 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 672,800	\$ 794,844	\$ 122,044
Special Revenue	702,615	795,731	93,116
Capital Projects	349,548	349,548	-
Enterprise	2,369,000	2,366,295	(2,705)
Private Purpose Trust	300	398	98
Total	<u>\$ 4,094,263</u>	<u>\$ 4,306,816</u>	<u>\$ 212,553</u>

<b>2018 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 760,591	\$ 703,102	\$ 57,489
Special Revenue	748,031	593,457	154,574
Capital Projects	349,548	349,548	-
Enterprise	2,355,219	2,213,693	141,526
Private Purpose Trust	1,500	-	1,500
Total	<u>\$ 4,214,889</u>	<u>\$ 3,859,800</u>	<u>\$ 355,089</u>

**Note 4 – Encumbrances**

At December 31, 2019, the Village had encumbrance commitments as follows:

<b>Fund</b>	<b>Amount</b>
General Fund	\$ 12,642
Street Construction, Maintenance & Repair	3,862
Water	11,620
Sewer	32,637
Swimming Pool	18
Sewer Improvement	137,989
Total Encumbrances	<u>\$ 198,768</u>

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**Note 5 – Deposits and Investments**

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

	2019
Demand deposits	<u>\$ 1,437,659</u>
Total deposits	<u>1,437,659</u>
STAR Ohio	<u>510,837</u>
Total investments	<u>510,837</u>
Total deposits and investments	<u><u>\$ 1,948,496</u></u>

***Deposits***

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

***Investments***

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

**Note 6 – Taxes**

***Property Taxes***

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

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

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

***Income Tax***

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.

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**Note 7 - Risk Management**

**Risk Pool Membership**

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

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

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

	<u>2019</u>
Cash and investments	\$38,432,610
Actuarial liabilities	\$14,705,917

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

All full-time and part-time employees that are not a certified full-time Police Officer belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

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

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

The Village's full-time Police Officers belong 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 12.5 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, 2019.



**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**Note 8 - Defined Benefit Pension Plans (Continued)**

***Social Security***

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

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

**Note 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 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F 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.

**Note 10 - Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan 4659	\$ 2,807,940	2.75%
Various Purpose Bonds, Series 2010	2,485,000	5.25%
OPWC CQ18J	126,548	0.00%
OPWC CQ31K	175,000	0.00%
OPWC CQ04M	50,355	0.00%
OPWC CQ09O	44,285	0.00%
OPWC CQ25U	102,592	0.00%
OPWC CQ04R	28,294	0.00%
OPWC CQ16T	27,076	0.00%
People's Bank Loan - WTP Upgrade	1,510,655	3.74%
People's Bank Loan - Truck & Backhoe	3,387	2.06%
People's Bank Loan - Police SUVs	44,215	2.50%
Fairfield Bank - Service Vehicle	83,500	3.13%
Total	<u>\$ 7,488,847</u>	

The Ohio Water Development Authority (OWDA) loan #4659 relates to a water and sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$5,437,797 in loans to the Village for this project. The Village repays the loan in semiannual installments of \$186,357, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**Note 10 – Debt (Continued)**

The Various Purpose Bonds relates to a water and sewer plant expansion project. The bonds issued totaled \$3,085,000. The Village repays the bonds annually in accordance with the amortization schedule. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

The Ohio Public Works Commission (OPWC) loan #CQ18J relates to the Southeast Lift Station and Force Main project. OPWC approved \$266,417 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$6,660, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

OPWC loan #CQ31K relates to the East Water Tower and Waterline project. OPWC approved \$350,000 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$8,750, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

OPWC loan #CQ04M relates to the 2008 Sanitary Sewer and Manhole Rehab project. OPWC approved \$91,554 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$2,289, over 20 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

OPWC loan #CQ09O relates to the North Main Street Waterline Improvements project. OPWC approved \$57,764 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$963, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

OPWC loan #CQ04Q relates to the East Water, Union, North and Basil Streets paving project. OPWC approved \$5,728 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$143, over 20 years. Debt is paid from the Street Construction, Maintenance, and Repair Fund. This loan was paid off in 2019.

OPWC loan #CQ25U relates to the 2017 Dorchester, Circle, and Tremont Resurfacing project. OPWC approved \$105,902 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$3,309, over 20 years. Debt is paid from the Permissive Tax Fund.

OPWC loan #CQ04R relates to the Basil Street Resurfacing project. OPWC approved \$35,509 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$913, over 20 years. Debt is paid from the Street Construction, Maintenance, and Repair Fund.

OPWC loan #CQ16T relates to the 2016 Pavement Improvements project. OPWC approved \$33,324 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$1,041, over 20 years. Debt is paid from the Permissive Tax Fund.

In 2014, the Village obtained a loan from Peoples Bank for the purchase of a truck to be used by the Street, Water, and Sewer Departments. In 2015, the purchase of a backhoe was added to the loan. The original loan for the truck was \$40,265 and the backhoe was \$59,083. The Village repays the loan in monthly installments of \$1,745, and matures February 2020. Debt is paid from the Street Construction, Maintenance and Repair, Water, and Sewer Funds.

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**Note 10 – Debt (Continued)**

In 2015, the Village obtained a loan from Peoples Bank for Water Treatment Plan Improvements. The Village was approved \$1,677,000 for this project. The Village repays the loan in monthly installments of \$10,757, and matures June 2035. Water and Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

In 2019, the Village approved a \$58,200 loan from Peoples Bank for the purchase of two Sports Utility Vehicles for the Police Department. The Village repays the loan in annual installments of \$15,493, including interest, and matures October 2022.

In 2019, the Village approved a \$83,475 loan from Fairfield National Bank for the purchase of a Utility Truck for the Street Department. The Village repays the loan in semi-annual installments of \$9,096, including interest, and matures July 2024.

**Amortization**

Amortization of the Village's debt, including principal and interest, is scheduled as follows:

<b>OPWC Loans</b>	<b>OWDA Loan</b>	<b>General Obligation Bonds</b>	<b>People's Bank Loans</b>	<b>Fairfield National Bank Loan</b>
\$ 47,851	\$ 372,714	\$ 204,428	\$ 148,070	\$ 18,192
47,851	372,714	205,490	144,579	18,192
47,851	372,714	206,290	144,579	18,192
41,519	372,714	201,828	129,087	18,192
41,519	372,714	202,365	129,087	18,027
232,595	1,304,498	988,915	645,434	-
62,675	-	972,200	656,631	-
13,849	-	941,150	65,787	-
5,776	-	184,187	-	-
<u>\$ 541,486</u>	<u>\$ 3,168,068</u>	<u>\$ 4,106,853</u>	<u>\$ 2,063,254</u>	<u>\$ 90,795</u>

**Note 11 – Contingent Liabilities**

The Village participates in several state assisted grants that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The Village believes that disallowed claims, if any, will not have a material adverse effect on the Village's financial condition.

**Note 12 - Jointly Governed Organizations**

**Fairfield County Regional Planning Commission**

The Village participates in the Fairfield County Regional Planning Commission, a statutorily created political subdivision of the State. The Village appoints a member of Council to represent the Village on the 43 member board. The Village pays a small membership fee annually based on the per capita of the Village. In 2019, the Village's membership fee amounted to \$742. There is no ongoing financial responsibility by the Village.

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**Note 12 - Jointly Governed Organizations (Continued)**

**Mid-Ohio Regional Planning Commission**

The Village participates in the Mid-Ohio Regional Planning Commission. The Village Administrator represents the Village on the Board. There is no ongoing financial responsibility by the Village.

**Basil Joint Fire District**

The Basil Joint Fire District provides fire protection and emergency medical services to the Village and Liberty Township residents. The Village appoints a member of Council to represent the Village on the five-member Board of Trustees. There is no ongoing financial responsibility by the Village.

**Note 13 – Subsequent Events**

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

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 85,993	\$ 36,606	\$ 122,599
Municipal Income Tax	442,489	359,176	801,665
Intergovernmental	36,693	148,224	184,917
Charges for Services	66,543	-	66,543
Fines, Licenses and Permits	50,022	1,210	51,232
Earnings on Investments	11,499	2,534	14,033
Miscellaneous	4,217	3,024	7,241
	<i>Total Cash Receipts</i>	697,456	1,248,230
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	334,743	2,300	337,043
Public Health Services	19,785	-	19,785
Leisure Time Activities	19,082	20,000	39,082
Community Environment	54	-	54
Basic Utility Services	-	7,589	7,589
Transportation	-	392,641	392,641
General Government	316,798	1,159	317,957
Capital Outlay	67,671	68,229	135,900
Debt Service:			
Principal Retirement	-	10,933	10,933
Interest and Fiscal Charges	-	243	243
	<i>Total Cash Disbursements</i>	503,094	1,261,227
	<i>Excess of Receipts Over (Under) Disbursements</i>	47,680	(12,997)
<b>Other Financing Receipts (Disbursements)</b>			
Other Debt Proceeds	58,200	-	58,200
Sale of Capital Assets	3,169	3,081	6,250
Advances In	15,000	15,000	30,000
Advances Out	(15,000)	(15,000)	(30,000)
	<i>Total Other Financing Receipts (Disbursements)</i>	3,081	64,450
	<i>Net Change in Fund Cash Balances</i>	50,761	51,453
	<i>Fund Cash Balances, January 1</i>	244,461	405,958
<b>Fund Cash Balances, December 31</b>			
Restricted	-	295,222	295,222
Assigned	87,791	-	87,791
Unassigned	74,398	-	74,398
	<i>Fund Cash Balances, December 31</i>	\$ 295,222	\$ 457,411

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

VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY

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

	Proprietary Fund Types	Fiduciary Fund Types		Totals
	Enterprise	Agency	Private Purpose Trust	(Memorandum Only)
<b>Operating Cash Receipts</b>				
Charges for Services	\$ 1,763,450	\$ -	\$ -	\$ 1,763,450
Fines, Licenses and Permits	-	9,600	-	9,600
Earnings on Investments (trust funds only)	-	-	328	328
Miscellaneous	13,021	-	3,040	16,061
<i>Total Operating Cash Receipts</i>	<u>1,776,471</u>	<u>9,600</u>	<u>3,368</u>	<u>1,789,439</u>
<b>Operating Cash Disbursements</b>				
Personal Services	279,799	-	-	279,799
Employee Fringe Benefits	92,005	-	-	92,005
Contractual Services	365,673	-	-	365,673
Supplies and Materials	165,511	-	-	165,511
Other	10,277	8,945	-	19,222
<i>Total Operating Cash Disbursements</i>	<u>913,265</u>	<u>8,945</u>	<u>-</u>	<u>922,210</u>
<i>Operating Income (Loss)</i>	<u>863,206</u>	<u>655</u>	<u>3,368</u>	<u>867,229</u>
<b>Non-Operating Receipts (Disbursements)</b>				
Property and Other Local Taxes	33,642	-	-	33,642
Special Assessments	57,614	-	-	57,614
Capital Outlay	(132,266)	-	-	(132,266)
Principal Retirement	(470,236)	-	-	(470,236)
Interest and Other Fiscal Charges	(289,890)	-	-	(289,890)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(801,136)</u>	<u>-</u>	<u>-</u>	<u>(801,136)</u>
<i>Income (Loss) before Transfers</i>	<u>62,070</u>	<u>655</u>	<u>3,368</u>	<u>66,093</u>
Transfers In	45,976	-	-	45,976
Transfers Out	(45,976)	-	-	(45,976)
<i>Net Change in Fund Cash Balances</i>	<u>62,070</u>	<u>655</u>	<u>3,368</u>	<u>66,093</u>
<i>Fund Cash Balances, January 1</i>	<u>762,818</u>	<u>295</u>	<u>16,868</u>	<u>779,981</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 824,888</u>	<u>\$ 950</u>	<u>\$ 20,236</u>	<u>\$ 846,074</u>

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

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 1 - Reporting Entity**

The Village of Baltimore (the Village), Fairfield County, Ohio is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with the Basil Joint Fire District to receive fire protection and emergency medical services.

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

The Village participates in three jointly governed organizations and a public entity risk pool. Notes 7 and 12 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

***Special Revenue Funds*** These funds account for and report the proceeds of specific 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 Fund:

***Street Construction, Maintenance, and Repair Fund*** – This 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.

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

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

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

***Water and Sewer Debt Service Funds*** These funds are used to account for resources accumulated for the payment of long-term debt principal and interest.

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

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

***Fund Accounting (Continued)***

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

The Village's private purpose trust fund is for the maintenance and upkeep of the Maple Grove and Basil Memorial Cemeteries.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for the Village's Mayor's Court.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (D) permit.

***Budgetary Process***

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

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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 2018 budgetary activity appears in Note 3.

***Deposits and Investments***

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



VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)

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

***Deposits and Investments (Continued)***

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

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

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

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

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

**Note 3 – Budgetary Activity**

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

<b>2018 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 729,787	\$ 758,825	\$ 29,038
Special Revenue	516,695	553,855	37,160
Enterprise	1,839,426	1,867,727	28,301
Fiduciary	-	3,368	3,368
Total	<u>\$ 3,085,908</u>	<u>\$ 3,183,775</u>	<u>\$ 97,867</u>

<b>2018 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 789,853	\$ 764,492	\$ 25,361
Special Revenue	575,894	516,947	58,947
Enterprise	1,932,914	1,890,811	42,103
Total	<u>\$ 3,298,661</u>	<u>\$ 3,172,250</u>	<u>\$ 126,411</u>

**Note 4 - Encumbrances**

At December 31, 2018, the Village had encumbrance commitments as follows:

<b>Fund</b>	<b>Amount</b>
General Fund	\$ 6,359
Street Construction, Maintenance & Repair	3,868
Permissive Motor Vehicle License	9,985
Water	10,752
Sewer	28,408
Swimming Pool	18
Total Encumbrances	<u>\$ 59,390</u>

**Note 5 – Deposits and Investments**

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

	2018
Demand deposits	<u>\$ 804,347</u>
Total deposits	<u>804,347</u>
STAR Ohio	<u>499,138</u>
Total investments	<u>499,138</u>
Total deposits and investments	<u>\$ 1,303,485</u>

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

**Note 5 – Deposits and Investments (Continued)**

***Deposits***

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

***Investments***

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

**Note 6 – Taxes**

***Property Taxes***

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

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

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

***Income Tax***

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

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

VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)

**Note 7 - Risk Management (Continued)**

**Risk Pool Membership (Continued)**

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

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

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

All full-time and part-time employees that are not a certified full-time Police Officer belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 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, 2018.

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

The Village's full-time Police Officers belong 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 12.5 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, 2018.

***Social Security***

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

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

**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 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F 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.

**Note 10 - Debt**

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan 4659	\$ 3,097,451	2.75%
Various Purpose Bonds, Series 2010	2,560,000	5.25%
OPWC CQ18J	139,869	0.00%
OPWC CQ31K	192,500	0.00%
OPWC CQ04M	54,932	0.00%
OPWC CQ09O	46,211	0.00%
OPWC CQ04Q	4,296	0.00%
OPWC CQ04R	30,120	0.00%
OPWC CQ16T	29,159	0.00%
People's Bank Loan - WTP Upgrade	1,580,981	3.74%
People's Bank Loan - Truck & Backhoe	24,022	2.06%
People's Bank Loan - Police SUVs	58,200	2.50%
Total	<u>\$ 7,817,741</u>	

The Ohio Water Development Authority (OWDA) loan #4659 relates to a water and sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$5,437,797 in loans to the Village for this project. The Village repays the loan in semiannual installments of \$186,357, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

The Various Purpose Bonds relates to a water and sewer plant expansion project. The bonds issued totaled \$3,085,000. The Village repays the bonds annually in accordance with the amortization schedule. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements. The prior audit balance was incorrectly stated as \$2,590,000. The correct balance outstanding at December 31, 2017 was \$2,630,000.

The Ohio Public Works Commission (OPWC) loan #CQ18J relates to the Southeast Lift Station and Force Main project. OPWC approved \$266,417 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$6,660, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

**Note 10 – Debt (Continued)**

OPWC loan #CQ31K relates to the East Water Tower and Waterline project. OPWC approved \$350,000 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$8,750, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

OPWC loan #CQ04M relates to the 2008 Sanitary Sewer and Manhole Rehab project. OPWC approved \$91,554 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$2,289, over 20 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

OPWC loan #CQ09O relates to the North Main Street Waterline Improvements project. OPWC approved \$57,764 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$963, over 20 years. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

OPWC loan #CQ04Q relates to the East Water, Union, North and Basil Streets paving project. OPWC approved \$5,728 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$143, over 20 years. Debt is paid from the Street Construction, Maintenance, and Repair Fund.

OPWC loan #CQ04R relates to the Basil Street Resurfacing project. OPWC approved \$35,509 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$913, over 20 years. Debt is paid from the Street Construction, Maintenance, and Repair Fund.

OPWC loan #CQ16T relates to the 2016 Pavement Improvements project. OPWC approved \$33,324 in a loan to the Village for this project. The Village repays the loan in semi-annual installments of \$1,041, over 20 years. Debt is paid from the Permissive Tax Fund.

In 2014, the Village obtained a loan from Peoples Bank for the purchase of a truck to be used by the Street, Water, and Sewer Departments. In 2015, the purchase of a backhoe was added to the loan. The original loan for the truck was \$40,265 and the backhoe was \$59,083. The Village repays the loan in monthly installments of \$1,745, and matures February 2020. Debt is paid from the Street Construction, Maintenance and Repair, Water, and Sewer Funds.

In 2015, the Village obtained a loan from Peoples Bank for Water Treatment Plan Improvements. The Village was approved \$1,677,000 for this project. The Village repays the loan in monthly installments of \$10,757, and matures June 2035. Water and Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover debt service requirements.

In 2018, the Village approved a \$58,200 loan from Peoples Bank for the purchase of two Sports Utility Vehicles for the Police Department. The Village repays the loan in annual installments of \$15,493, including interest, and matures October 2022.

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

**Note 10 – Debt (Continued)**

***Amortization***

Amortization of the Village's debt, including principal and interest, is scheduled as follows:

<b>Year ending December 31:</b>	<b>OPWC Loans</b>	<b>OWDA Loan</b>	<b>General Obligation Bonds</b>	<b>People's Bank Loans</b>
2019	\$ 41,519	\$ 372,714	\$ 208,365	\$ 165,521
2020	41,519	372,714	204,428	148,070
2021	41,519	372,714	205,490	144,579
2022	41,519	372,714	206,290	144,579
2023	41,519	372,714	201,828	129,087
2024-2028	207,593	1,677,212	993,815	645,434
2029-2033	61,833	-	978,100	654,143
2034-2038	12,365	-	944,602	197,362
2039-2043	7,701	-	372,300	-
Total	<u>\$ 497,087</u>	<u>\$ 3,540,782</u>	<u>\$ 4,315,218</u>	<u>\$ 2,228,775</u>

**Note 11 – Contingent Liabilities**

The Village participates in several state assisted grants that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The Village believes that disallowed claims, if any, will not have a material adverse effect on the Village's financial condition.

**Note 12 - Jointly Governed Organizations**

**Fairfield County Regional Planning Commission**

The Village participates in the Fairfield County Regional Planning Commission, a statutorily created political subdivision of the State. The Village appoints a member of Council to represent the Village on the 43 member board. The Village pays a small membership fee annually based on the per capita of the Village. In 2018, the Village's membership fee amounted to \$742. There is no ongoing financial responsibility by the Village.

**Mid-Ohio Regional Planning Commission**

The Village participates in the Mid-Ohio Regional Planning Commission. The Village Administrator represents the Village on the Board. There is no ongoing financial responsibility by the Village.

**Basil Joint Fire District**

The Basil Joint Fire District provides fire protection and emergency medical services to the Village and Liberty Township residents. The Village appoints a member of Council to represent the Village on the five-member Board of Trustees. There is no ongoing financial responsibility by the Village.

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

**Note 13 – Subsequent Events**

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



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

August 25, 2020

Village of Baltimore  
Fairfield County  
103 West Market Street  
Baltimore, Ohio 43105

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the **Village of Baltimore**, Fairfield County, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated August 25, 2020, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

**Internal Control Over Financial Reporting**

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

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

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

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

***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

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

**VILLAGE OF BALTIMORE  
FAIRFIELD COUNTY**

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

Finding Number	Finding Summary	Status	Additional Information
2017-001	Posting Receipts, Disbursements and Classification of Fund Balances	Corrected	N/A
2017-002	Financial Reporting	Corrected	N/A
2017-003	Transfers	Corrected	N/A
2017-004	Establishing Funds	Corrected	N/A

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF BALTIMORE**

**FAIRFIELD 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 10/13/2020**

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

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