



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF BLOOMDALE
WOOD COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2019 and 2018
Fiscal Years Audited Under GAGAS: 2019 and 2018

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 389-5775 • FAX (614) 467-3920
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcpagroup.com



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Members of Council
Village of Bloomdale
206 Vine Street
Bloomdale, Ohio 44847

We have reviewed the *Independent Auditor's Report* of the Village of Bloomdale, Wood County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery-Partially Repaid

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

During 2019, the village made payments to the Internal Revenue Service (IRS) for penalties and fees in the amount of \$2,335. Cory Kirian was the Clerk/Treasurer when the 2nd Quarter of 2017 and the 2nd Quarter of 2018 Form 941's were due to the IRS. Penalties and late fees for this period amounted to \$1,079. Stephen Schafer, Melinda Snider, and Rory Fitch performed the duties of Clerk/Treasurer when the 3rd Quarter of 2018 Form 941 filing was due to the IRS. Penalties and late fees for this period amounted to \$908. Diane Miller was the Clerk/Treasurer when the 4th Quarter of 2018 Form 941 was due to the IRS. Penalties and fees during this period amounted to \$348. Payments for penalties and fees do not serve a proper public purpose.

Members of Council
Village of Bloomdale
206 Vine Street
Bloomdale, Ohio 44847
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Finding for Recovery (continued)

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which an illegal expenditure is discovered, is strictly liable for the amount of the expenditure. Seward v. National Surety Corp., 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code § 9.39; State ex rel. Village of Linndale v. Masten, 18 Ohio St.3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Cory Kirian and his bonding company, Western Surety Company in the amount of \$1,079 and Stephen Schafer, Melinda Snider, and Rory Fitch, jointly and severally, and their bonding company, Western Surety Company in the amount of \$908 and Diane Miller and her bonding company, Auto-Owners (Mutual) Insurance Company in the amount of \$348 and in favor of the Village’s General Fund in the amount of \$2,335.

On August 17, 2020, the Village posted and deposited in the Village General Fund payments in the amount of \$908 from Stephen Schafer, Melinda Snider, and Rory Fitch, and \$348 from Diane Miller.

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 Bloomdale is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

September 11, 2020

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WOOD COUNTY
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INDEPENDENT AUDITOR'S REPORT

Village of Bloomdale
Wood County
206 Vine Street
P.O. Box 186
Bloomdale, Ohio 44847

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 Bloomdale, Wood County, Ohio (the Village) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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 Bloomdale, Wood County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the 2019 financial statements, 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 June 26, 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.



BHM CPA Group, Inc.
Piketon, Ohio
June 26, 2020

**VILLAGE OF BLOOMDALE
WOOD COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Taxes	\$ 30,678	\$ 3,576	\$ -	\$ 34,254
Municipal Income Tax	107,302	-	-	107,302
Intergovernmental	22,246	36,529	-	58,775
Fines, Licenses, and Permits	11,918	-	-	11,918
Earnings on Investments	863	55	-	918
Miscellaneous	25,575	-	-	25,575
	<u>198,582</u>	<u>40,160</u>	<u>-</u>	<u>238,742</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons & Property	18,553	640	-	19,193
Leisure Time Activities	11,791	-	-	11,791
Transportation	-	14,019	-	14,019
General Government	114,033	-	-	114,033
Capital Outlay	-	1,897	-	1,897
	<u>144,377</u>	<u>16,556</u>	<u>-</u>	<u>160,933</u>
Total Cash Disbursements				
Excess of Receipts Over/(Under) Disbursements	54,205	23,604	-	77,809
Other Financing Receipts (Disbursements):				
Advances-In	2,000	-	-	2,000
Advances-Out	(2,000)	-	-	(2,000)
	<u>54,205</u>	<u>23,604</u>	<u>-</u>	<u>77,809</u>
Net Change in Fund Cash Balances				
Fund Cash Balances, January 1	52,191	75,236	66,381	193,808
	<u>52,191</u>	<u>75,236</u>	<u>66,381</u>	<u>193,808</u>
Fund Cash Balances, December 31				
Restricted	-	98,840	-	98,840
Committed	-	-	66,381	66,381
Unassigned (Deficit)	106,396	-	-	106,396
	<u>106,396</u>	<u>-</u>	<u>-</u>	<u>106,396</u>
Fund Cash Balances, December 31	<u>\$ 106,396</u>	<u>\$ 98,840</u>	<u>\$ 66,381</u>	<u>\$ 271,617</u>

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

**VILLAGE OF BLOOMDALE
WOOD COUNTY**

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

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 556,460	\$ 54,955	\$ 611,415
Total Operating Cash Receipts	<u>556,460</u>	<u>54,955</u>	<u>611,415</u>
Operating Cash Disbursements:			
Current:			
Personal Services	52,126	-	52,126
Employee Fringe Benefits	8,312	-	8,312
Contractual Services	567,911	47,602	615,513
Supplies and Materials	37,877	-	37,877
Other	1,513	-	1,513
Total Operating Cash Disbursements	<u>667,739</u>	<u>47,602</u>	<u>715,341</u>
Operating Income (Loss)	(111,279)	7,353	(103,926)
Non-Operating Receipts (Disbursements):			
Excise Tax Payment - Electric	(137)	-	(137)
Other Financing Sources	14,743	-	14,743
Total Non-Operating Receipts (Disbursements)	<u>14,606</u>	<u>-</u>	<u>14,606</u>
Income (Loss) before Advances	(96,673)	7,353	(89,320)
Advances In	-	2,000	2,000
Advances Out	-	(2,000)	(2,000)
Net Change in Fund Cash Balances	(96,673)	7,353	(89,320)
Fund Cash Balances, January 1	<u>435,260</u>	<u>870</u>	<u>436,130</u>
Fund Cash Balances, December 31	<u>\$ 338,587</u>	<u>\$ 8,223</u>	<u>\$ 346,810</u>

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

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

Note 1 - Reporting Entity

The Village of Bloomdale, Wood County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric utilities and police services. Village residents receive water and sewer services from Northwest Water and Sewer District, which performs the billing and collection of these charges for services. The Village appropriates general fund money to support a volunteer fire department.

Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools

The Village participates in one jointly governed organization and the Public Entities Pool of Ohio, a public entity risk pool. Notes 6 and 9 to the financial statements provides additional information for these entities. These organization are:

Jointly Governed Organization:

AMP-Ohio provides electric utilities to the Village.

Public Entity Risk Pool:

The Public Entities Pool of Ohio is available to public entities in Ohio and provides property and casualty coverage for its members.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are 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 Fund The Street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and moto vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

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

Note 2 - Summary of Significant Accounting Policies (continued)

Local Permissive Tax The Local Permissive Tax fund accounts for additional motor vehicle registration fees restricted for construction, maintenance, and repair of streets within the Village.

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:

Capital Improvement Fund - The capital improvement fund receives transfers from the General Fund. The proceeds are used for capital improvements, which have the life expectancy of 5 years or more from the time of purchase.

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:

Electric Fund The Electric fund receives charges for services from residents to covered electric service costs.

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

Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's custodial fund accounts for contracted collections and remittance to a refuse collector.

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 be budgeted annually.

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

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.

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

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Note 3 - Budgetary Activity

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 165,925	\$ 198,582	\$ 32,657
Special Revenue	29,330	40,160	10,830
Capital Projects	25,000	-	(25,000)
Enterprise	525,800	571,203	45,403
Total	\$ 746,055	\$ 809,945	\$ 63,890

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

Note 3 - Budgetary Activity (continued)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 171,035	\$ 144,377	\$ 26,658
Special Revenue	29,785	16,556	13,229
Capital Projects	20,000	-	20,000
Enterprise	697,700	667,876	29,824
Total	\$ 918,520	\$ 828,809	\$ 89,711

Note 4 – Deposits

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

Demand deposits	2019 \$ 392,925
Other time deposits (savings and NOW accounts)	225,502
Total deposits	\$ 618,427

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.

Note 5 – Taxes

Property Taxes

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

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

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

Note 5 – Taxes (continued)

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

Income Taxes

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

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

Note 6 – Risk Management

Risk Pool Membership

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

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

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

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

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

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Fifteen 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 healthcare and survivor and disability benefits.

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

Note 8 - Postemployment Benefits

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

Note 9 – Jointly Governed Organizations

Combined Hydroelectric Projects (79 Members)

AMP recently completed construction of 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 for FERC for the Combined Hydroelectric Project.

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.

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

Note 9 – Jointly Governed Organizations (continued)

The Smithland Hydro, facility, 76MW, is operation as of September 1, 2017 is located 62.5 miles upstream of the confluence of the Ohio and Mississippi River. 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, Clear 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 contracted 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.

In 2018, AMP issued the Combined Hydro Project Revenue Bonds, Series 2018A (“the Hyrdo 2018A Bonds”) for \$99,530,000. The Hydro 2018A Bonds mature between 2022 and 2048 and bear interest at a fixed rate of 2.250%.

As of December 31, 2018 the total outstanding Hydro Project debt on AMP’s books is approximately \$2,251,365,882.

The Village of Bloomdale has executed a take -or-pay power sales contract with AMP for a Project Share of 100 kW or 0.05% of capacity and associated energy from the 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”).

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

Note 9 – Jointly Governed Organizations (continued)

The Prairie State Bonds and 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.

AMP's share of the total Project cost, including AMP's share of PSEC capital improvements through 2018, resulted in the issuance by AMP of approximately \$1.763 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) 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, 2018, the outstanding obligation on Prairie State project is \$1,633,865,000.

The Village of Bloomdale has executed a take-or-pay power sales contract with AMP for a Project Share of 199 kW or 0.05% kW of capacity and associated energy from the Prairie State facility.

Note 10 – Joint Ventures

Village residents (283) are provided a garbage service. The Village has a five year contractual agreement with NAT, Bradner, Ohio. NAT gathers the residents' trash one day per week. Village residents pay a flat fee for the service every month which is collected with their electric payments and is allocated to the trash/refuse fund.

Note 11 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**VILLAGE OF BLOOMDALE
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, 2018**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 29,132	\$ 3,384	\$ -	\$ 32,516
Municipal Income Tax	114,536	-	-	114,536
Intergovernmental	23,645	31,539	-	55,184
Fines, Licenses and Permits	7,471	-	-	7,471
Earnings on Investments	167	147	-	314
Miscellaneous	26,378	-	-	26,378
Total Cash Receipts	<u>201,329</u>	<u>35,070</u>	<u>-</u>	<u>236,399</u>
Cash Disbursements:				
Current:				
Security of Persons & Property	56,808	607	-	57,415
Leisure Time Activities	13,516	-	-	13,516
Transportation	-	33,517	-	33,517
General Government	95,615	-	-	95,615
Capital Outlay	-	-	62,383	62,383
Total Cash Disbursements	<u>165,939</u>	<u>34,124</u>	<u>62,383</u>	<u>262,446</u>
Excess of Receipts Over/(Under) Disbursements	35,390	946	(62,383)	(26,047)
Other Financing Receipts (Disbursements):				
Transfers-In	-	-	54,771	54,771
Transfers-Out	(54,771)	-	-	(54,771)
Total Other Financing Receipts(Disbursements)	<u>(54,771)</u>	<u>-</u>	<u>54,771</u>	<u>-</u>
Net Change in Fund Cash Balances	(19,381)	946	(7,612)	(26,047)
Fund Cash Balances, January 1	<u>71,572</u>	<u>74,290</u>	<u>73,993</u>	<u>219,855</u>
Fund Cash Balances, December 31				
Restricted	-	75,236	-	75,236
Committed	-	-	66,381	66,381
Unassigned (Deficit)	52,191	-	-	52,191
Fund Cash Balances, December 31	<u>\$ 52,191</u>	<u>\$ 75,236</u>	<u>\$ 66,381</u>	<u>\$ 193,808</u>

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

**VILLAGE OF BLOOMDALE
WOOD COUNTY**

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

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 615,558	\$ 46,579	\$ 662,137
Fines, Licenses and Permits	-	390	390
	<u>615,558</u>	<u>46,969</u>	<u>662,527</u>
Total Operating Cash Receipts	<u>615,558</u>	<u>46,969</u>	<u>662,527</u>
Operating Cash Disbursements:			
Current:			
Personal Services	63,932	-	63,932
Employee Fringe Benefits	10,854	-	10,854
Contractual Services	505,037	49,160	554,197
Supplies and Materials	23,392	-	23,392
Other	2,487	-	2,487
	<u>605,702</u>	<u>49,160</u>	<u>654,862</u>
Total Operating Cash Disbursements	<u>605,702</u>	<u>49,160</u>	<u>654,862</u>
Operating Income (Loss)	9,856	(2,191)	7,665
Non-Operating Receipts (Disbursements):			
Intergovernmental	15,042	-	15,042
Capital Outlay	(5,001)	-	(5,001)
	<u>10,041</u>	<u>-</u>	<u>10,041</u>
Total Non-Operating Receipts (Disbursements)	<u>10,041</u>	<u>-</u>	<u>10,041</u>
Net Change in Fund Cash Balances	19,897	(2,191)	17,706
Fund Cash Balances, January 1	<u>415,363</u>	<u>3,061</u>	<u>418,424</u>
Fund Cash Balances, December 31	<u>\$ 435,260</u>	<u>\$ 870</u>	<u>\$ 436,130</u>

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

Village of Bloomdale
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of Bloomdale, Wood County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric utilities and police services. Village residents receive water and sewer services from Northwest Water and Sewer District, which performs the billing and collection of these charges for services. The Village appropriates general fund money to support a volunteer fire department.

Jointly Governed Organizations and Public Entity Risk Pools

The Village participates in one jointly governed organization and the Public Entities Pool of Ohio, a public entity risk pool. Notes 6 and 9 to the financial statements provides additional information for these entities. These organization are:

Jointly Governed Organization:

AMP-Ohio provides electric utilities to the Village.

Public Entity Risk Pool:

The Public Entities Pool of Ohio is available to public entities in Ohio and provides property and casualty coverage for its members.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are 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 Fund - The Street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and moto vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Village of Bloomdale
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Police Drug Fund – This fund receives revenue from seized monies as a result of drugs confiscated.

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:

Capital Improvement Fund - The capital improvement fund receives transfers from the General Fund. The proceeds are used for capital improvements, which have the life expectancy of 5 years or more from the time of purchase.

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:

Electric Fund – Electric Fund – This fund receives charges for services from residents to covered electric service costs.

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.

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 contracted collections and remittance to a refuse collector.

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 be budgeted annually.

Village of Bloomdale
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

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

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.

Village of Bloomdale
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Note 3 - Budgetary Activity

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 240,106	\$ 201,329	\$ (38,777)
Special Revenue	42,385	35,070	(7,315)
Capital Projects	54,121	54,771	650
Enterprise	502,080	630,600	128,520
Total	\$ 838,692	\$ 921,770	\$ 83,078

Village of Bloomdale
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 - Budgetary Activity (continued)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 287,521	\$ 220,710	\$ 66,811
Special Revenue	109,945	34,124	75,821
Capital Projects	177,639	62,383	115,256
Enterprise	888,131	610,703	277,428
Total	\$1,463,236	\$ 927,920	\$ 535,316

Note 4 – Deposits

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

Demand deposits	2018 \$ 391,078
Money Markets	238,860
Total deposits	\$ 629,938

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.

Note 5 – Taxes

Property Taxes

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

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

Village of Bloomdale
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 5 – Taxes (continued)

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

Income Taxes

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

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

Note 6 – Risk Management

Risk Pool Membership

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

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

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

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

Village of Bloomdale
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Note 8 - 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 2018. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 4.0 percent during calendar year 2018.

Note 9 – Jointly Governed Organizations

Combined Hydroelectric Projects (79 Members)

AMP recently completed construction of 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 for FERC for the Combined Hydroelectric Project.

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.

Village of Bloomdale
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Jointly Governed Organizations (continued)

The Smithland Hydro, facility, 76MW, is operation as of September 1, 2017 is located 62.5 miles upstream of the confluence of the Ohio and Mississippi River. 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, Clear 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 contracted 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.

In 2018, AMP issued the Combined Hydro Project Revenue Bonds, Series 2018A (“the Hyrdo 2018A Bonds”) for \$99,530,000. The Hydro 2018A Bonds mature between 2022 and 2048 and bear interest at a fixed rate of 2.250%.

As of December 31, 2018 the total outstanding Hydro Project debt on AMP’s books is approximately \$2,251,365,882.

The Village of Bloomdale has executed a take -or-pay power sales contract with AMP for a Project Share of 100 kW or 0.05% of capacity and associated energy from the 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”).

Village of Bloomdale
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Jointly Governed Organizations (continued)

The Prairie State Bonds and 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.

AMP's share of the total Project cost, including AMP's share of PSEC capital improvements through 2018, resulted in the issuance by AMP of approximately \$1.763 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) 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, 2018, the outstanding obligation on Prairie State project is \$1,633,865,000.

The Village of Bloomdale has executed a take-or-pay power sales contract with AMP for a Project Share of 199 kW or 0.05% kW of capacity and associated energy from the Prairie State facility.

Note 10 – 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.

There are currently no matters of litigation with the Village as defendant.

Note 11 – Related Party Transactions

A Village Council member's mother is an independent contractor performing custodial services to the Village.



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

Village of Bloomdale
Wood County
206 Vine Street
P.O. Box 186
Bloomdale, Ohio 44847

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 Bloomdale, Wood 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 June 26, 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. We also 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. We consider findings 2019-001 and 2019-002 described in the accompanying schedule of findings to be material weaknesses.

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

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2019-001, 2019-003 and 2019-005.

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 "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
June 26, 2020

VILLAGE OF BLOOMDALE
WOOD COUNTY

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

FINDING NUMBER 2019-001

Material Weakness/Non-Compliance

Ohio Revised Code section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Section 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – if the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("Now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment or ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate – Fiscal Officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Village's Fiscal Officer did not certify the availability of funds prior to making commitments during 2019 for 90% of disbursements tested and during 2018 for all disbursements. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

The Village's Fiscal Officer should certify the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certification language Ohio Rev. Code section 5705.41(D) requires authorizing disbursements.

Officials' Response: We did not receive a response from Officials regarding this finding.

FINDING NUMBER 2019-002

Material Weakness

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

VILLAGE OF BLOOMDALE
WOOD COUNTY

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

FINDING NUMBER 2019-002 (CONTINUED)

Material and immaterial misstatements were identified during the course of the audit which have not been prevented or detected by the Village's internal controls over financial reporting. As a result of the audit procedures performed, the following errors were noted in the financial statements that required audit adjustment or reclassification:

- Adjustments were made in 2019 and 2018 to the General, Street Construction, Maintenance and Repair fund, the State Highway fund, and the Permissive Tax fund. In 2019, the Village recorded Intergovernmental receipts in the General, Street Construction, Maintenance and Repair and State Highway funds that should have been recorded in the Permissive Motor Vehicle License Tax fund as Property and Other Local Taxes and Intergovernmental receipts. In 2018, the Village recorded Intergovernmental receipts in the Street Construction, Maintenance and Repair and State Highway funds that should have been recorded in the Permissive Motor Vehicle License Tax fund as Property and Other Local Taxes and Intergovernmental receipts.
- The Village incorrectly classified the Capital Projects fund balances as Restricted in 2019. Capital Projects fund balances have been reclassified as Committed.

The following errors were noted in the footnotes that required audit adjustment:

- The Budgetary Activity footnote required adjustments in 2019.
- The Risk Management footnote did not use the PEP footnote information published by the Auditor of State in 2019 or 2018.

To ensure the Village's financial statements and notes to the financial statements are complete and accurate, we recommend the Fiscal Officer review the Ohio Village Officer's Handbook for guidance on the correct line item to post various receipts and expenditures of the Village.

The Village should implement procedures to verify that all fund balances are properly reported under GASB 54. The Village should use GASB 54 and the Auditor of State Bulletin 2011-004 to assist in determining proper fund balance classifications. Failure to properly classify fund balances could result in material misstatements in the financial statements.

Officials' Response: We did not receive a response from Officials regarding this finding.

FINDING NUMBER 2019-003

Material Noncompliance

26 U.S.C. §§ 3401, 3402, 3403, 3404, 3405, and 3102(a) require the employing government to withhold federal income and employment related taxes (such as Medicare). These Sections also require the government to report and remit those tax matters to the appropriate tax authorities and the recipients.

The Village failed to timely submit the required federal payroll taxes or quarterly 941 Tax Forms as required by the Internal Revenue Service. The Village did not file or make payments for the second quarter of 2017, or the second, third and fourth quarters of 2018 until April of 2019. Failure to implement controls over the payroll process has caused the Village to endure penalties and interest to the IRS.

We recommend the Village Fiscal Officer remit federal income taxes withheld on a timely basis. Additionally, the Village should maintain documentation concerning the remittance of federal income taxes as well as the required reports.

Officials' Response: We did not receive a response from Officials regarding this finding.

VILLAGE OF BLOOMDALE
WOOD COUNTY

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

FINDING NUMBER 2019-004

Significant Deficiency – *Internal Controls related to Disbursements*

When designing the public office's system of internal control and the specific control activities, management should:

- Ensure that all transactions are properly authorized in accordance with management's policies.
- Ensure that accounting records are properly designed
- Ensure adequate security of assets and records
- Plan for adequate segregation of duties or compensating controls
- Perform analytical procedures to determine the reasonableness of financial data
- Ensure the collection and compilation of that data needed for the timely preparation of financial statements

Public funds were used to pay late fees and penalties to the IRS for untimely remittance of employee tax withholdings. The late payment of federal tax monies was not prevented by the Village's control structure and represents a significant deficiency in the internal control environment. Late fees were noted to be paid out of the General fund during the course of the audit which was not prevented by the Village's internal controls over financial reporting. We have referred the payments of late fees to the IRS to the Auditor of State for further review.

To ensure public monies are used for the purposes for which they were raised, financial management should review the Ohio Revised Code and the U.S. Code and implement controls to ensure that withholdings are being remitted on a timely basis.

Officials' Response: We did not receive a response from Officials regarding this finding.

FINDING NUMBER 2019-005

Material Noncompliance – *Misuse of Public Funds*

Ohio Rev. Code § 5705.10 states that money paid into a fund shall only be used for the purposes for which the fund is established.

The Village failed to timely submit the required federal payroll taxes or quarterly 941 Tax Forms as required by the Internal Revenue Service. These late payments resulted in the Village incurring late charges which is deemed an improper use of public funds. The Village paid \$2,335 in late fees from the General fund to the IRS in 2019.

The Village should adopt procedures to ensure that all payments are being made when due to avoid any late charges.

Officials' Response: We did not receive a response from Officials regarding this finding.

VILLAGE OF BLOOMDALE
WOOD COUNTY
DECEMBER 31, 2019 AND 2018

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2017-001	Material Weakness / Noncompliance Ohio Rev. Code Section 5705.41(D)	No	Reissued as Finding Number 2019-001

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BLOOMDALE

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 9/24/2020

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