



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF SOUTH BLOOMFIELD
PICKAWAY COUNTY
DECEMBER 31, 2019 and 2018**

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**VILLAGE OF SOUTH BLOOMFIELD
PICKAWAY COUNTY
DECEMBER 31, 2019 and 2018**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of South Bloomfield
Pickaway County
5023 South Union Street
South Bloomfield, Ohio 43103

To the Village Council:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of South Bloomfield, Pickaway County, Ohio (the Village), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 qualified audit opinions.

Efficient • Effective • Transparent

Basis for Opinion Qualification

The Village fund balances per the accounting records were reconciled to the bank accounts; however, the Village had an unknown reconciling item of \$9,033 on the December 31, 2019 and 2018 reconciliations. Subsequent to December 31, 2019, adjustments were made to the Village's accounting records to reconcile the fund balances per the accounting records to the bank account balances. However, the Village was not able to provide sufficient appropriate audit evidence supporting the individual funds to which the adjustments were recorded. Therefore, we could not gain assurance over the Equity in Pooled Cash and Cash Equivalents, Net Position, and the Fund Balances reported for the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2019 and 2018. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the *Basis for Opinion Qualification* paragraph, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2019 and 2018, and the respective changes in cash financial position and where applicable cash flows and the respective budgetary comparison for the General Fund, Street Construction, Maintenance, and Repair Fund, and Permissive Motor Vehicle License Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matters

As discussed in Note 15 to the December 31, 2018 financial statements, during 2018, the Village has elected to change its financial presentation to a cash basis comparable to the requirements of *Governmental Accounting Standards*. We did not modify our opinion regarding this matter.

As discussed in Note 15 to the December 31, 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures may 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 March 29, 2023, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large, stylized 'K' and 'F'.

Keith Faber
Auditor of State
Columbus, Ohio

March 29, 2023

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Village of South Bloomfield
Pickaway County
Statement of Net Position - Cash Basis
December 31, 2019

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$109,071	\$764,310	\$873,381
<i>Total Assets</i>	<u>\$109,071</u>	<u>\$764,310</u>	<u>\$873,381</u>
Net Position			
Restricted for:			
Capital Projects	\$2,301	\$0	\$2,301
Debt Service	0	178,747	178,747
Other Purposes	118,531	48,222	166,753
Unrestricted	(11,761)	537,341	525,580
<i>Total Net Position</i>	<u>\$109,071</u>	<u>\$764,310</u>	<u>\$873,381</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2019

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities				
Current:				
Security of Persons and Property	\$642,929	\$0	\$0	\$0
Leisure Time Activities	36,541	47,465	0	0
Community Environment	15,302	29,295	0	0
Basic Utility Services	160,257	147,240	0	0
Transportation	181,640	33,684	143,604	0
General Government	113,542	147,020	3,098	20,500
Capital Outlay	73,213	0	0	0
Debt Service:				
Principal Retirement	44,086	0	0	0
Interest and Fiscal Charges	37,381	0	0	0
<i>Total Governmental Activities</i>	<u>1,304,891</u>	<u>404,704</u>	<u>146,702</u>	<u>20,500</u>
Business-Type Activities				
Water Operating	304,131	559,780	0	0
Sewer Operating	592,517	712,589	0	0
Water Debt Service	84,422	170,635	0	0
Sewer Debt Service	239,385	347,163	0	0
Sewer Improvement Reserve	220	0	0	0
Utility Deposits	614	4,507	0	0
<i>Total Business-Type Activities</i>	<u>1,221,289</u>	<u>1,794,674</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$2,526,180</u>	<u>\$2,199,378</u>	<u>\$146,702</u>	<u>\$20,500</u>
General Receipts:				
Property Taxes				
Income Taxes				
Grants and Entitlements not Restricted to Specific Programs				
Miscellaneous				
<i>Total General Receipts</i>				
Change in Net Position				
<i>Net Position Beginning of Year</i>				
<i>Net Position End of Year</i>				

See accompanying notes to the basic financial statements

Net (Disbursements) Receipts and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$642,929)	\$0	(\$642,929)
10,924	0	10,924
13,993	0	13,993
(13,017)	0	(13,017)
(4,352)	0	(4,352)
57,076	0	57,076
(73,213)	0	(73,213)
(44,086)	0	(44,086)
(37,381)	0	(37,381)
(732,985)	0	(732,985)
0	255,649	255,649
0	120,072	120,072
0	86,213	86,213
0	107,778	107,778
0	(220)	(220)
0	3,893	3,893
0	573,385	573,385
(732,985)	573,385	(159,600)
80,800	0	80,800
455,646	0	455,646
4,218	0	4,218
10,935	4,452	15,387
551,599	4,452	556,051
(181,386)	577,837	396,451
290,457	186,473	476,930
\$109,071	\$764,310	\$873,381

Village of South Bloomfield
Pickaway County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2019

	General	Street Construction Maintenance Repair
Assets		
Equity in Pooled Cash and Cash Equivalents	(\$11,761)	\$39,739
<i>Total Assets</i>	(\$11,761)	\$39,739
Fund Balances		
Restricted	\$0	\$39,739
Unassigned (Deficit)	(11,761)	0
<i>Total Fund Balances</i>	(\$11,761)	\$39,739

See accompanying notes to the basic financial statements

Permissive Motor Vehicle License	Other Governmental Funds	Total Governmental Funds
\$23,656	\$57,437	\$109,071
<u>\$23,656</u>	<u>\$57,437</u>	<u>\$109,071</u>
\$23,656	\$57,437	\$120,832
<u>0</u>	<u>0</u>	<u>(11,761)</u>
<u>\$23,656</u>	<u>\$57,437</u>	<u>\$109,071</u>

Village of South Bloomfield
Pickaway County
Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2019

	General	Street Construction Maintenance Repair	Permissive Motor Vehicle License	Other Governmental Funds	Total Governmental Funds
Receipts					
Municipal Income Taxes	\$455,646	\$0	\$0	\$0	\$455,646
Property Taxes	80,800	0	0	0	80,800
Intergovernmental	4,218	109,550	25,122	8,932	147,822
Special Assessments	20,500	0	0	0	20,500
Charges for Services	147,240	0	0	0	147,240
Fines, Licenses and Permits	176,315	0	0	81,149	257,464
Earnings on Investments	3,098	0	0	0	3,098
Miscellaneous	9,612	0	0	1,323	10,935
<i>Total Receipts</i>	<u>897,429</u>	<u>109,550</u>	<u>25,122</u>	<u>91,404</u>	<u>1,123,505</u>
Disbursements					
Current:					
Security of Persons and Property	640,527	0	0	2,402	642,929
Leisure Time Activities	228	0	0	36,313	36,541
Community Environment	15,302	0	0	0	15,302
Basic Utility Services	160,257	0	0	0	160,257
Transportation	0	131,829	38,233	11,578	181,640
General Government	113,542	0	0	0	113,542
Capital Outlay	61,816	0	0	11,397	73,213
Debt Service:					
Principal Retirement	37,039	7,047	0	0	44,086
Interest and Fiscal Charges	36,291	1,090	0	0	37,381
<i>Total Disbursements</i>	<u>1,065,002</u>	<u>139,966</u>	<u>38,233</u>	<u>61,690</u>	<u>1,304,891</u>
<i>Net Change in Fund Balances</i>	(167,573)	(30,416)	(13,111)	29,714	(181,386)
<i>Fund Balances Beginning of Year</i>	<u>155,812</u>	<u>70,155</u>	<u>36,767</u>	<u>27,723</u>	<u>290,457</u>
<i>Fund Balances End of Year</i>	<u>(\$11,761)</u>	<u>\$39,739</u>	<u>\$23,656</u>	<u>\$57,437</u>	<u>\$109,071</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal Income Taxes	\$460,000	\$460,001	\$455,646	(\$4,355)
Property Taxes	78,000	78,000	80,800	2,800
Intergovernmental	0	0	4,218	4,218
Special Assessments	55,000	55,000	20,500	(34,500)
Charges for Services	160,000	160,000	147,240	(12,760)
Fines, Licenses and Permits	167,000	167,000	176,315	9,315
Earnings on Investments	1,200	1,200	3,098	1,898
Miscellaneous	15,000	55,000	9,612	(45,388)
<i>Total Receipts</i>	<u>936,200</u>	<u>976,201</u>	<u>897,429</u>	<u>(78,772)</u>
Disbursements				
Current:				
Security of Persons and Property	616,133	664,278	644,011	20,267
Leisure Time Activities	0	228	228	0
Community Environment	15,500	15,500	15,302	198
Basic Utility Services	160,100	207,090	160,257	46,833
General Government	176,008	128,127	114,187	13,940
Capital Outlay	0	61,816	61,816	0
Debt Service:				
Principal Retirement	0	37,039	37,039	0
Interest and Fiscal Charges	0	36,291	36,291	0
<i>Total Disbursements</i>	<u>967,741</u>	<u>1,150,369</u>	<u>1,069,131</u>	<u>81,238</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(31,541)</u>	<u>(174,168)</u>	<u>(171,702)</u>	<u>2,466</u>
Other Financing Sources (Uses)				
Other Financing Uses	<u>(61,816)</u>	<u>(2,508)</u>	<u>0</u>	<u>2,508</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(61,816)</u>	<u>(2,508)</u>	<u>0</u>	<u>2,508</u>
<i>Net Change in Fund Balance</i>	<u>(93,357)</u>	<u>(176,676)</u>	<u>(171,702)</u>	<u>4,974</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	85,635	85,635	85,635	0
Prior Year Encumbrances Appropriated	<u>70,177</u>	<u>70,177</u>	<u>70,177</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$62,455</u>	<u>(\$20,864)</u>	<u>(\$15,890)</u>	<u>\$4,974</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Street Construction Maintenance & Repair Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$70,000	\$142,540	\$109,550	(\$32,990)
Special Assessments	2,000	2,000	0	(2,000)
<i>Total Receipts</i>	72,000	144,540	109,550	(34,990)
Disbursements				
Current:				
Transportation	111,350	156,885	135,241	21,644
Debt Service:				
Principal Retirement	0	7,047	7,047	0
Interest and Fiscal Charges	0	1,090	1,090	0
<i>Total Disbursements</i>	111,350	165,022	143,378	21,644
<i>Net Change in Fund Balance</i>	(39,350)	(20,482)	(33,828)	(13,346)
<i>Unencumbered Fund Balance Beginning of Year</i>	68,872	68,872	68,872	0
Prior Year Encumbrances Appropriated	1,283	1,283	1,283	0
<i>Unencumbered Fund Balance End of Year</i>	\$30,805	\$49,673	\$36,327	(\$13,346)

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$0	\$23,000	\$25,122	\$2,122
<i>Total Receipts</i>	<u>0</u>	<u>23,000</u>	<u>25,122</u>	<u>2,122</u>
Disbursements				
Current:				
Transportation	18,264	44,761	38,233	6,528
<i>Total Disbursements</i>	<u>18,264</u>	<u>44,761</u>	<u>38,233</u>	<u>6,528</u>
<i>Net Change in Fund Balance</i>	(18,264)	(21,761)	(13,111)	8,650
<i>Unencumbered Fund Balance Beginning of Year</i>	36,767	36,767	36,767	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$18,503</u>	<u>\$15,006</u>	<u>\$23,656</u>	<u>\$8,650</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2019

	Business-Type Activities					
	Water Operating	Sewer Operating	Water Debt	Sewer Debt	Utility Deposits	Total Enterprise Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$296,371	\$240,970	\$92,550	\$86,197	\$48,222	\$764,310
<i>Total Assets</i>	<u>\$296,371</u>	<u>\$240,970</u>	<u>\$92,550</u>	<u>\$86,197</u>	<u>\$48,222</u>	<u>\$764,310</u>
Net Position						
Restricted for:						
Debt Service	\$0	\$0	\$92,550	\$86,197	\$0	\$178,747
Other Purposes	0	0	0	0	48,222	48,222
Unrestricted	296,371	240,970	0	0	0	537,341
<i>Total Net Position</i>	<u>\$296,371</u>	<u>\$240,970</u>	<u>\$92,550</u>	<u>\$86,197</u>	<u>\$48,222</u>	<u>\$764,310</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities					Other Enterprise Funds	Total Enterprise Funds
	Water Operating	Sewer Operating	Water Debt	Sewer Debt	Utility Deposits		
Operating Receipts							
Charges for Services	\$529,676	\$712,439	\$170,635	\$347,163	\$4,507	\$0	\$1,764,420
Miscellaneous	600	4,152	0	0	0	0	4,752
<i>Total Operating Receipts</i>	<u>530,276</u>	<u>716,591</u>	<u>170,635</u>	<u>347,163</u>	<u>4,507</u>	<u>0</u>	<u>1,769,172</u>
Operating Disbursements							
Personal Services	64,983	214,437	0	0	0	0	279,420
Employee Fringe Benefits	43,220	110,684	0	0	0	0	153,904
Contractual Services	138,157	176,384	0	0	0	220	314,761
Supplies and Materials	57,771	64,362	0	0	0	0	122,133
Other	0	0	0	0	614	0	614
<i>Total Operating Disbursements</i>	<u>304,131</u>	<u>565,867</u>	<u>0</u>	<u>0</u>	<u>614</u>	<u>220</u>	<u>870,832</u>
<i>Operating Income (Loss)</i>	<u>226,145</u>	<u>150,724</u>	<u>170,635</u>	<u>347,163</u>	<u>3,893</u>	<u>(220)</u>	<u>898,340</u>
Non-Operating Receipts (Disbursements)							
Special Assessments	29,954	0	0	0	0	0	29,954
Capital Outlay	0	(26,650)	0	0	0	0	(26,650)
Principal Retirement	0	0	(77,228)	(156,358)	0	0	(233,586)
Interest and Other Fiscal Charges	0	0	(7,194)	(83,027)	0	0	(90,221)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>29,954</u>	<u>(26,650)</u>	<u>(84,422)</u>	<u>(239,385)</u>	<u>0</u>	<u>0</u>	<u>(320,503)</u>
<i>Income (Loss) before Transfers</i>	<u>256,099</u>	<u>124,074</u>	<u>86,213</u>	<u>107,778</u>	<u>3,893</u>	<u>(220)</u>	<u>577,837</u>
Transfers In	0	62,000	0	0	0	0	62,000
Transfers Out	0	0	0	(62,000)	0	0	(62,000)
<i>Change in Net Position</i>	<u>256,099</u>	<u>186,074</u>	<u>86,213</u>	<u>45,778</u>	<u>3,893</u>	<u>(220)</u>	<u>577,837</u>
<i>Net Position Beginning of Year</i>	<u>40,272</u>	<u>54,896</u>	<u>6,337</u>	<u>40,419</u>	<u>44,329</u>	<u>220</u>	<u>186,473</u>
<i>Net Position End of Year</i>	<u>\$296,371</u>	<u>\$240,970</u>	<u>\$92,550</u>	<u>\$86,197</u>	<u>\$48,222</u>	<u>\$0</u>	<u>\$764,310</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Cash Flows - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities						Total Enterprise Funds
	Water Operating	Sewer Operating	Water Debt	Sewer Debt	Utility Deposits	Other Enterprise Funds	
Increase (Decrease) in Cash and Cash Equivalents							
Cash Flows from Operating Activities							
Cash Received from Customers	\$529,676	\$712,439	\$170,635	\$347,163	\$4,507	\$0	\$1,764,420
Other Cash Receipts	600	4,152	0	0	0	0	4,752
Cash Payments to Employees for Services	(64,983)	(214,437)	0	0	0	0	(279,420)
Cash Payments for Employee Benefits	(43,220)	(110,684)	0	0	0	0	(153,904)
Cash Payments for Goods and Services	(195,928)	(240,746)	0	0	0	(220)	(436,894)
Other Cash Payments	0	0	0	0	(614)	0	(614)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>226,145</u>	<u>150,724</u>	<u>170,635</u>	<u>347,163</u>	<u>3,893</u>	<u>(220)</u>	<u>898,340</u>
Cash Flows from Noncapital Financing Activities							
Special Assessments (for noncapital purposes)	29,954	0	0	0	0	0	29,954
Transfers In	0	62,000	0	0	0	0	62,000
Transfers Out	0	0	0	(62,000)	0	0	(62,000)
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>	<u>29,954</u>	<u>62,000</u>	<u>0</u>	<u>(62,000)</u>	<u>0</u>	<u>0</u>	<u>29,954</u>
Cash Flows from Capital and Related Financing Activities							
Principal Paid on Debt	0	0	(77,228)	(156,358)	0	0	(233,586)
Interest Paid on Debt	0	0	(7,194)	(83,027)	0	0	(90,221)
Payments for Capital Acquisitions	0	(26,650)	0	0	0	0	(26,650)
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<u>0</u>	<u>(26,650)</u>	<u>(84,422)</u>	<u>(239,385)</u>	<u>0</u>	<u>0</u>	<u>(350,457)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>256,099</u>	<u>186,074</u>	<u>86,213</u>	<u>45,778</u>	<u>3,893</u>	<u>(220)</u>	<u>577,837</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>40,272</u>	<u>54,896</u>	<u>6,337</u>	<u>40,419</u>	<u>44,329</u>	<u>220</u>	<u>186,473</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$296,371</u>	<u>\$240,970</u>	<u>\$92,550</u>	<u>\$86,197</u>	<u>\$48,222</u>	<u>\$0</u>	<u>\$764,310</u>

Village of South Bloomfield
Pickaway County
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Fund
December 31, 2019

	<u>Custodial</u>
Assets	
Cash and Cash Equivalents in Segregated Accounts	<u>\$58,860</u>
<i>Total Assets</i>	<u><u>\$58,860</u></u>
Net Position	
Restricted:	
Individuals and Other Governments	<u>58,860</u>
<i>Total Net Position</i>	<u><u>\$58,860</u></u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Fund
For the Year Ended December 31, 2019

	Custodial
Additions	
Charges for Services	\$59,281
<i>Total Additions</i>	59,281
Deductions	
Other Distributions	16,807
<i>Total Deductions</i>	16,807
<i>Change in Net Position</i>	42,474
<i>Net Position Beginning of Year</i>	16,386
<i>Net Position End of Year</i>	\$58,860

See accompanying notes to the basic financial statements

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Village of South Bloomfield (the Village), Pickaway County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of South Bloomfield provides the following services to its citizens: police protection, parks and recreation, building inspection, street maintenance and repairs, water, sewer and refuse collection. The Village contracts with Harrison Township to receive fire protection services.

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

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village’s accounting policies.

Basis of Presentation

The Village’s basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the Village.

Fund Financial Statements During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

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 in three categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

General 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.

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

Permissive Motor Vehicle License Fund The permissive motor vehicle license fund accounts for and reports Permissive Motor Vehicle tax money to maintain and repair state highways that run through the Village.

The other governmental funds of the Village account for and report grants and other resources whose use is restricted, committed or assigned to a particular purpose.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Proprietary Funds The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds. The Village does not have any internal service funds.

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 has 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 Debt Fund The water debt fund accounts for charges for services received from residents that is used to retire debt which financed water infrastructure projects.

Sewer Debt Fund The sewer debt fund accounts for charges for services received from residents that is used to retire debt which financed sewer infrastructure projects.

Utility Deposits Fund The utility deposits fund holds a portion of charges for services which is maintained to cover returns of utility deposits.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the Village under a trust agreement, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Village's custodial funds account for mayor's court transactions and balances.

Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held separately in accounts at a financial institution for agency mayor's court balances are reported as "Cash and Cash Equivalents in Segregated Accounts."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2019 was \$3,098, which includes \$2,741 assigned from other Village funds.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted Assets in the enterprise funds represent amounts withheld on construction contracts, amounts set aside to satisfy for current and future debt payments and the replacement and improvement of capital assets.

Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits.

Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received, and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for maintenance and repair of streets and highways.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

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 contained 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.

Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general, street construction maintenance & repair, and permissive motor vehicle license tax funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	Street Construction Maintenance & Repair	Permissive Motor Vehicle License
Cash Basis	(\$11,761)	\$39,739	\$23,656
Encumbrances	(4,129)	(3,412)	0
Budget Basis	(\$15,890)	\$36,327	\$23,656

Note 4 – Deposits and Investments

State statutes classify monies held by the Village into three categories.

Active deposits are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

At year end, the Village had \$58,860 deposited with financial institutions for monies related to the Mayor's Court which are reported as a custodial fund. This amount was covered by the FDIC and included in the Village's depository balance.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

At December 31, 2019, the carrying amount of all Village deposits was \$873,381 and the bank balance was \$735,862. Of the Village's bank balance, \$191,140 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining was uninsured and collateralized. The Village's remaining balance was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Note 5 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2018 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. In 2019, 100% the receipts were allocated to the general fund.

Note 6 – Interfund Transfers

Transfers

During 2019, the following transfers were made:

<u>Transfer to</u>	<u>Transfer from</u> <u>Major Funds</u>	<u>Total</u>
Major Funds:	Sewer Debt Fund	
Sewer Operating Fund	\$62,000	\$62,000
Total all Funds	\$62,000	\$62,000

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Nonroutine transfers from the Major Funds were in compliance with Ohio Revised Code to either make debt payments or for designated projects.

Note 7 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2019, the Village contracted with several companies for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
USI Public Entities Pool of Ohio		
Blanket Property and Contents, Replacement	\$6,989,340	\$1,000
General Liability	2,000,000	0
Automobile Liability	2,000,000	0
Public Officials Liability	2,000,000	1,000
Police Professional Liability	2,000,000	1,000
Employment Practice Liability	2,000,000	1,000
Computer - Hardware	82,000	500
Computer - Software	16,000	500
Public Employee Dishonesty	25,000	500
Money and Securities	10,000	500

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Sheakley Unicom provides administrative, cost control and actuarial services to the GRP.

Note 8 – Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Village employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2019 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee ***	10.0 %	*	**
2019 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
*	This rate is determined by OPERS' Board and has no maximum rate established by ORC.		
**	This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.		
***	Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.		
****	This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.		

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The Village's contractually required contribution was \$94,294 for the year 2019. The Village pays both the Employee and Employer contributions to the OPERS fund.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – Village full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police		Firefighters	
2019 Statutory Maximum Contribution Rates				
Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%
2019 Actual Contribution Rates				
Employer:				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50		0.50	
Total Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OP&F was \$84,144 for 2019. The Village pays both the Employee and Employers share of the contributions to OP&F plan.

Social Security

Village’s part-time employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

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

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, State and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was \$94,294 for 2019.

Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple-employer defined postemployment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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

The Village's contractually required contribution to OP&F was \$84,144 for 2019.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 – Debt

Notes Payable

The changes in the Village’s notes payable during 2019 were as follows:

	Outstanding 12/31/18	Issued	Retired	Outstanding 12/31/19
3.10% Note 401108	\$ 27,347	\$ -	\$ 7,422	\$ 19,925
3.10% Note 401107	24,115	-	6,462	17,653
2.75% Note 401033	3,741	-	3,741	-
3.80% Note 401168	31,887	-	7,047	24,840
4.15% Note 111590	700,000	-	-	700,000
4.0% Note 4011831	97,617	-	19,414	78,203
<i>Ohio Water Development Authority</i>				
Loan 2879 2.00% Water Plant	359,710	-	77,228	282,482
Loan 4303 1.50% Sewer Plant	1,997,307	-	110,701	1,886,606
Loan 4303 3.99% Sewer Plant	1,643,281	-	45,657	1,597,624
<i>Total OWDA Loans</i>	4,000,298	-	233,586	3,766,712
Total	\$ 4,885,005	\$ -	\$ 277,672	\$ 4,607,333

The Village sold Note 401108 in the amount of \$37,436 to Kingston National Bank on April 15, 2017 to purchase a police vehicle. The Note carries an interest rate of 3.10% and requires monthly payments. The Note matures on April 15, 2022.

The Village sold Note 401107 in the amount of \$32,594 to Kingston National Bank on April 15, 2017 to purchase police equipment. The Note carries an interest rate of 3.10% and requires monthly payments. The note matures on April 15, 2022.

The Village sold Note 401033 in the amount of \$43,233 to Kingston National Bank on April 15, 2016 to purchase a police vehicle. The note carries an interest rate of 2.75% and requires monthly payments. The note matured on March 15, 2019.

The Village sold Note 401168 in the amount of \$37,000 to Kingston National Bank on April 02, 2018 to purchase Street Department equipment. The note carries an interest rate of 3.80% and requires monthly payments. The note matures on April 15, 2021.

The Village sold Note 111590 in the amount of \$700,000 to Kingston National Bank on July 03, 2018 for the purpose of designing, constructing and equipping a new Village Hall. The note carries an interest rate of 4.15% and requires monthly payments. The note matures on June 01, 2034.

The Village sold Note 4011831 in the amount of \$103,917.96 to Kingston National Bank on September 24, 2018 for the purchase of 3 new police cruisers. The note carries an interest rate of 4.0% and requires monthly payments. The note matures on September 15, 2023.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The Ohio Water Development Authority (OWDA) loans relate to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$9,148,357 in loans to the Village for this project. The loans will be repaid in semiannual installments as noted in the following tables, including interest, over 20 years. The scheduled payments will be adjusted to reflect any revisions in amounts actually borrowed.

All note proceeds had been spent at December 31, 2019.

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

Year Ended December 31	OWDA 4303	OWDA 2879	NOTE 401107	NOTE 401108	NOTE 111590	NOTE 4011831	NOTE 401168
2020	256,104	84,422	7,045	8,092	65,121	22,966	13,070
2021	256,104	84,422	7,045	8,092	65,121	22,966	11,770
2022	256,104	84,422	2,980	3,741	65,121	22,966	
2023	256,104	84,422			65,121	17,225	
2024	256,104				65,121		
2025-2029	1,280,520				325,603		
2030-2034	1,280,520				287,866		
2035-2037	640,260						
	4,481,820	337,688	17,070	19,925	939,074	86,123	24,840

Note 11 – Contingent Liabilities

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

Note 12 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 13 – Related Party Transactions

In of 2019, the Village entered into a contract with Roesse Brother's Paving Company in the amount of \$84,582 for paving the new parking lot and re-surfacing the existing Webster Memorial Park parking lot. The owners of Roesse Brother's Paving Company are cousins of the Council Member, Jill Roesse. There was a bid process for this project and the Roesse Brother's Paving Company was the lowest bidders.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 14 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Street Const. Maint. & Repair	Permissive Motor Vehicle License	Other Governmental Funds	Total
Restricted for					
Road Improvements	\$0	\$39,739	\$23,656	\$4,359	\$67,754
Police Operations	0	0	0	7,664	7,664
Community Development	0	0	0	45,375	45,375
Economic Development	0	0	0	39	39
<i>Total Restricted</i>	<u>0</u>	<u>39,739</u>	<u>23,656</u>	<u>57,437</u>	<u>120,832</u>
Unassigned (Deficits)	<u>(11,761)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(11,761)</u>
<i>Total Fund Balances</i>	<u><u>(\$11,761)</u></u>	<u><u>\$39,739</u></u>	<u><u>\$23,656</u></u>	<u><u>\$57,437</u></u>	<u><u>\$109,071</u></u>

Note 15 – Subsequent Events

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

The Village went into development agreements with 1 new apartment complex and 2 existing developments. This caused a large increase to the Water and Sewer Funds for Tap Fees.

On June 15, 2020, the Village accepted a new refinance rate on the Municipal Building loan from 4.15% to 3.86%.

Village of South Bloomfield
Pickaway County
Statement of Net Position - Cash Basis
December 31, 2018

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$290,457	\$186,473	\$476,930
<i>Total Assets</i>	<u>\$290,457</u>	<u>\$186,473</u>	<u>\$476,930</u>
Net Position			
Restricted for:			
Capital Projects	\$13,698	\$0	\$13,698
Debt Service	0	46,756	46,756
Other Purposes	120,947	44,549	165,496
Unrestricted	<u>155,812</u>	<u>95,168</u>	<u>250,980</u>
<i>Total Net Position</i>	<u>\$290,457</u>	<u>\$186,473</u>	<u>\$476,930</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2018

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Current:				
Security of Persons and Property	\$576,759	\$0	\$0	\$0
Leisure Time Activities	25,646	22,135	0	0
Community Environment	12,684	19,089	0	0
Basic Utility Services	158,890	155,576	0	0
Transportation	156,767	0	121,322	0
General Government	138,047	161,182	1,431	46,343
Capital Outlay	796,125	0	0	0
Debt Service:				
Principal Retirement	38,221	0	0	0
Interest and Fiscal Charges	3,339	0	0	0
Other	42,102	0	0	0
<i>Total Governmental Activities</i>	<u>1,948,580</u>	<u>357,982</u>	<u>122,753</u>	<u>46,343</u>
Business-Type Activities				
Water Operating	401,899	271,568	0	0
Sewer Operating	524,677	499,447	0	0
Water Debt Service	97,000	83,212	0	0
Sewer Debt Service	365,851	335,512	0	0
Utility Deposits	0	5,852	0	0
<i>Total Business-Type Activities</i>	<u>1,389,427</u>	<u>1,195,591</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u><u>\$3,338,007</u></u>	<u><u>\$1,553,573</u></u>	<u><u>\$122,753</u></u>	<u><u>\$46,343</u></u>
General Receipts:				
Property Taxes				
Income Taxes				
Grants and Entitlements not Restricted to Specific Programs				
Loans Issued				
Notes Issued				
Sale of Capital Assets				
Miscellaneous				
<i>Total General Receipts</i>				
Change in Net Position				
<i>Net Position Beginning of Year</i>				
<i>Net Position End of Year</i>				

See accompanying notes to the basic financial statements

Net (Disbursements) Receipts and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$576,759)	\$0	(\$576,759)
(3,511)	0	(3,511)
6,405	0	6,405
(3,314)	0	(3,314)
(35,445)	0	(35,445)
70,909	0	70,909
(796,125)	0	(796,125)
(38,221)	0	(38,221)
(3,339)	0	(3,339)
(42,102)	0	(42,102)
(1,421,502)	0	(1,421,502)
0	(130,331)	(130,331)
0	(25,230)	(25,230)
0	(13,788)	(13,788)
0	(30,339)	(30,339)
0	5,852	5,852
0	(193,836)	(193,836)
(1,421,502)	(193,836)	(1,615,338)
81,773	0	81,773
473,819	0	473,819
2,168	0	2,168
103,918	0	103,918
737,000	0	737,000
96,125	0	96,125
12,030	3,461	15,491
1,506,833	3,461	1,510,294
85,331	(190,375)	(105,044)
205,126	376,848	581,974
\$290,457	\$186,473	\$476,930

Village of South Bloomfield
Pickaway County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2018

	General	Street Construction Maintenance & Repair
Assets		
Equity in Pooled Cash and Cash Equivalents	\$155,812	\$70,155
<i>Total Assets</i>	\$155,812	\$70,155
Fund Balances		
Restricted	\$0	\$70,155
Committed	0	0
Assigned	155,812	0
Unassigned (Deficit)	0	0
<i>Total Fund Balances</i>	\$155,812	\$70,155

See accompanying notes to the basic financial statements

Permissive Motor Vehicle License	Other Governmental Funds	Total Governmental Funds
\$36,767	\$27,723	\$290,457
\$36,767	\$27,723	\$290,457
\$36,767	\$18,382	\$125,304
0	9,341	9,341
0	0	155,812
0	0	0
\$36,767	\$27,723	\$290,457

Village of South Bloomfield
Pickaway County
Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2018

	General	Street Construction Maintenance & Repair	Permissive Motor Vehicle License	Other Governmental Funds	Total Governmental Funds
Receipts					
Municipal Income Taxes	\$473,819	\$0	\$0	\$0	\$473,819
Property Taxes	81,773	0	0	0	81,773
Intergovernmental	4,770	90,129	23,885	7,308	126,092
Special Assessments	43,741	0	0	0	43,741
Charges for Services	155,576	0	0	0	155,576
Fines, Licenses and Permits	180,271	0	0	22,135	202,406
Earnings on Investments	1,431	0	0	0	1,431
Miscellaneous	12,000	30	0	0	12,030
<i>Total Receipts</i>	<u>953,381</u>	<u>90,159</u>	<u>23,885</u>	<u>29,443</u>	<u>1,096,868</u>
Disbursements					
Current:					
Security of Persons and Property	572,175	0	0	4,584	576,759
Leisure Time Activities	0	0	0	25,646	25,646
Community Environment	12,684	0	0	0	12,684
Basic Utility Services	158,890	0	0	0	158,890
Transportation	0	91,319	56,880	8,568	156,767
General Government	138,047	0	0	0	138,047
Capital Outlay	700,000	0	0	96,125	796,125
Debt Service:					
Principal Retirement	33,108	5,113	0	0	38,221
Interest and Fiscal Charges	2,349	990	0	0	3,339
<i>Total Disbursements</i>	<u>1,617,253</u>	<u>97,422</u>	<u>56,880</u>	<u>134,923</u>	<u>1,906,478</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(663,872)</u>	<u>(7,263)</u>	<u>(32,995)</u>	<u>(105,480)</u>	<u>(809,610)</u>
Other Financing Sources (Uses)					
Loans Issued	103,918	0	0	0	103,918
Notes Issued	700,000	37,000	0	0	737,000
Sale of Capital Assets	0	0	0	96,125	96,125
Other Financing Sources	0	0	0	0	0
Other Financing Uses	(42,102)	0	0	0	(42,102)
<i>Total Other Financing Sources (Uses)</i>	<u>761,816</u>	<u>37,000</u>	<u>0</u>	<u>96,125</u>	<u>894,941</u>
<i>Net Change in Fund Balances</i>	97,944	29,737	(32,995)	(9,355)	85,331
<i>Fund Balances Beginning of Year</i>	<u>57,868</u>	<u>40,418</u>	<u>69,762</u>	<u>37,078</u>	<u>205,126</u>
<i>Fund Balances End of Year</i>	<u>\$155,812</u>	<u>\$70,155</u>	<u>\$36,767</u>	<u>\$27,723</u>	<u>\$290,457</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal Income Taxes	\$399,999	\$400,001	\$473,819	\$73,818
Property Taxes	75,000	75,000	81,773	6,773
Intergovernmental	0	0	4,770	4,770
Special Assessments	34,000	34,000	43,741	9,741
Charges for Services	130,000	139,469	155,576	16,107
Fines, Licenses and Permits	163,000	213,000	180,271	(32,729)
Earnings on Investments	1,200	1,200	1,431	231
Miscellaneous	0	0	12,000	12,000
<i>Total Receipts</i>	<u>803,199</u>	<u>862,670</u>	<u>953,381</u>	<u>90,711</u>
Disbursements				
Current:				
Security of Persons and Property	518,910	581,137	579,113	2,024
Community Environment	5,000	12,684	12,684	0
Basic Utility Services	147,000	158,890	158,890	0
General Government	181,076	139,713	139,470	243
Capital Outlay	0	700,000	700,000	0
Debt Service:				
Principal Retirement	0	33,108	33,108	0
Interest and Fiscal Charges	0	2,349	2,349	0
<i>Total Disbursements</i>	<u>851,986</u>	<u>1,627,881</u>	<u>1,625,614</u>	<u>2,267</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(48,787)</u>	<u>(765,211)</u>	<u>(672,233)</u>	<u>92,978</u>
Other Financing Sources (Uses)				
Loans Issued	0	103,918	103,918	0
Notes Issued	0	700,000	700,000	0
Other Financing Uses	(450)	(104,075)	(103,918)	157
<i>Total Other Financing Sources (Uses)</i>	<u>(450)</u>	<u>699,843</u>	<u>700,000</u>	<u>157</u>
<i>Net Change in Fund Balance</i>	(49,237)	(65,368)	27,767	93,135
<i>Unencumbered Fund Balance Beginning of Year</i>	50,838	50,838	50,838	0
Prior Year Encumbrances Appropriated	<u>7,030</u>	<u>7,030</u>	<u>7,030</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$8,631</u></u>	<u><u>(\$7,500)</u></u>	<u><u>\$85,635</u></u>	<u><u>\$93,135</u></u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Street Construction Maintenance & Repair Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$65,000	\$65,000	\$90,129	\$25,129
Special Assessments	2,000	2,000	0	(2,000)
Miscellaneous	0	0	30	30
<i>Total Receipts</i>	<u>67,000</u>	<u>67,000</u>	<u>90,159</u>	<u>23,159</u>
Disbursements				
Current:				
Transportation	67,244	99,141	92,602	6,539
Debt Service:				
Principal Retirement	0	5,113	5,113	0
Interest and Fiscal Charges	0	990	990	0
<i>Total Disbursements</i>	<u>67,244</u>	<u>105,244</u>	<u>98,705</u>	<u>6,539</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(244)</u>	<u>(38,244)</u>	<u>(8,546)</u>	<u>29,698</u>
Other Financing Sources (Uses)				
Notes Issued	0	0	37,000	37,000
Other Financing Sources	0	8,200	0	(8,200)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>8,200</u>	<u>37,000</u>	<u>28,800</u>
<i>Net Change in Fund Balance</i>	(244)	(30,044)	28,454	58,498
<i>Unencumbered Fund Balance Beginning of Year</i>	40,174	40,174	40,174	0
Prior Year Encumbrances Appropriated	244	244	244	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$40,174</u>	<u>\$10,374</u>	<u>\$68,872</u>	<u>\$58,498</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$20,000	\$20,000	\$23,885	\$3,885
<i>Total Receipts</i>	<u>20,000</u>	<u>20,000</u>	<u>23,885</u>	<u>3,885</u>
Disbursements				
Current:				
Transportation	71,497	89,762	56,880	32,882
<i>Total Disbursements</i>	<u>71,497</u>	<u>89,762</u>	<u>56,880</u>	<u>32,882</u>
<i>Net Change in Fund Balance</i>	(51,497)	(69,762)	(32,995)	36,767
<i>Unencumbered Fund Balance Beginning of Year</i>	69,762	69,762	69,762	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$18,265</u>	<u>\$0</u>	<u>\$36,767</u>	<u>\$36,767</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2018

	Business-Type Activities					Other Enterprise Funds	Total Enterprise Funds
	Water Operating	Sewer Operating	Water Debt	Sewer Debt	Utility Deposits		
Assets							
Equity in Pooled Cash and Cash Equivalents	\$40,272	\$54,896	\$6,337	\$40,419	\$44,329	\$220	\$186,473
<i>Total Assets</i>	<u>\$40,272</u>	<u>\$54,896</u>	<u>\$6,337</u>	<u>\$40,419</u>	<u>\$44,329</u>	<u>\$220</u>	<u>\$186,473</u>
Net Position							
Restricted for:							
Debt Service	\$0	\$0	\$6,337	\$40,419	\$0	\$0	\$46,756
Other Purposes	0	0	0	0	44,329	220	44,549
Unrestricted	40,272	54,896	0	0	0	0	95,168
<i>Total Net Position</i>	<u>\$40,272</u>	<u>\$54,896</u>	<u>\$6,337</u>	<u>\$40,419</u>	<u>\$44,329</u>	<u>\$220</u>	<u>\$186,473</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities					Other Enterprise Funds	Total Enterprise Funds
	Water Operating	Sewer Operating	Water Debt	Sewer Debt	Utility Deposits		
Operating Receipts							
Charges for Services	\$218,035	\$499,447	\$83,148	\$335,512	\$5,852	\$0	\$1,141,994
Miscellaneous	331	3,130	0	0	0	0	3,461
<i>Total Operating Receipts</i>	<u>218,366</u>	<u>502,577</u>	<u>83,148</u>	<u>335,512</u>	<u>5,852</u>	<u>0</u>	<u>1,145,455</u>
Operating Disbursements							
Personal Services	110,428	142,932	0	0	0	0	253,360
Employee Fringe Benefits	42,525	91,364	0	0	0	0	133,889
Contractual Services	198,946	151,434	0	0	0	0	350,380
Supplies and Materials	50,000	82,861	0	0	0	0	132,861
<i>Total Operating Disbursements</i>	<u>401,899</u>	<u>468,591</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>870,490</u>
<i>Operating Income (Loss)</i>	<u>(183,533)</u>	<u>33,986</u>	<u>83,148</u>	<u>335,512</u>	<u>5,852</u>	<u>0</u>	<u>274,965</u>
Non-Operating Receipts (Disbursements)							
Special Assessments	53,533	0	0	0	0	0	53,533
Earnings on Investments	0	0	64	0	0	0	64
Capital Outlay	0	(56,086)	0	0	0	0	(56,086)
Principal Retirement	0	0	(88,292)	(262,776)	0	0	(351,068)
Interest and Other Fiscal Charges	0	0	(8,708)	(103,075)	0	0	(111,783)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>53,533</u>	<u>(56,086)</u>	<u>(96,936)</u>	<u>(365,851)</u>	<u>0</u>	<u>0</u>	<u>(465,340)</u>
<i>Change in Net Position</i>	<u>(130,000)</u>	<u>(22,100)</u>	<u>(13,788)</u>	<u>(30,339)</u>	<u>5,852</u>	<u>0</u>	<u>(190,375)</u>
<i>Net Position Beginning of Year</i>	<u>170,272</u>	<u>76,996</u>	<u>20,125</u>	<u>70,758</u>	<u>38,477</u>	<u>220</u>	<u>376,848</u>
<i>Net Position End of Year</i>	<u>\$40,272</u>	<u>\$54,896</u>	<u>\$6,337</u>	<u>\$40,419</u>	<u>\$44,329</u>	<u>\$220</u>	<u>\$186,473</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Cash Flows - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities						Total Enterprise Funds
	Water Operating	Sewer Operating	Water Debt	Sewer Debt	Utility Deposits	Other Enterprise Funds	
Increase (Decrease) in Cash and Cash Equivalents							
Cash Flows from Operating Activities							
Cash Received from Customers	\$218,035	\$499,447	\$83,148	\$335,512	\$5,852	\$0	\$1,141,994
Other Cash Receipts	331	3,130	0	0	0	0	3,461
Cash Payments to Employees for Services	(110,428)	(142,932)	0	0	0	0	(253,360)
Cash Payments for Employee Benefits	(42,525)	(91,364)	0	0	0	0	(133,889)
Cash Payments for Goods and Services	(248,946)	(234,295)	0	0	0	0	(483,241)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(183,533)</u>	<u>33,986</u>	<u>83,148</u>	<u>335,512</u>	<u>5,852</u>	<u>0</u>	<u>274,965</u>
Cash Flows from Noncapital Financing Activities							
Special Assessments (for noncapital purposes)	53,533	0	0	0	0	0	53,533
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>	<u>53,533</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,533</u>
Cash Flows from Capital and Related Financing Activities							
Principal Paid on Debt	0	0	(88,292)	(262,776)	0	0	(351,068)
Interest Paid on Debt	0	0	(8,708)	(103,075)	0	0	(111,783)
Payments for Capital Acquisitions	0	(56,086)	0	0	0	0	(56,086)
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<u>0</u>	<u>(56,086)</u>	<u>(97,000)</u>	<u>(365,851)</u>	<u>0</u>	<u>0</u>	<u>(518,937)</u>
Cash Flows from Investing Activities							
Interest on Investments	0	0	64	0	0	0	64
<i>Net Cash Provided by (Used in) Investing Activities</i>	<u>0</u>	<u>0</u>	<u>64</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>64</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(130,000)	(22,100)	(13,788)	(30,339)	5,852	0	(190,375)
<i>Cash and Cash Equivalents Beginning of Year</i>	170,272	76,996	20,125	70,758	38,477	220	376,848
<i>Cash and Cash Equivalents End of Year</i>	<u>\$40,272</u>	<u>\$54,896</u>	<u>\$6,337</u>	<u>\$40,419</u>	<u>\$44,329</u>	<u>\$220</u>	<u>\$186,473</u>

See accompanying notes to the basic financial statements

Village of South Bloomfield
Pickaway County
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Fund
December 31, 2018

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$167
Cash and Cash Equivalents in Segregated Accounts	<u>16,219</u>
<i>Total Assets</i>	<u><u>\$16,386</u></u>
Net Position	
Restricted:	
Individuals and Other Governments	<u>16,386</u>
<i>Total Net Position</i>	<u><u>\$16,386</u></u>

See accompanying notes to the basic financial statements

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The Village of South Bloomfield (the Village), Pickaway County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of South Bloomfield provides the following services to its citizens: police protection, parks and recreation, building inspection, street maintenance and repairs, water, sewer and refuse collection. The Village contracts with Harrison Township to receive fire protection services.

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

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village’s accounting policies.

Basis of Presentation

The Village’s basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the Village.

Fund Financial Statements During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

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 in three categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

General 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.

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

Permissive Motor Vehicle License Fund The permissive motor vehicle license fund accounts for and reports Permissive Motor Vehicle tax money to maintain and repair state highways that run through the Village.

The other governmental funds of the Village account for and report grants and other resources whose use is restricted, committed or assigned to a particular purpose.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Proprietary Funds The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds. The Village does not have any internal service funds.

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 has 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 Debt Fund The water debt fund accounts for charges for services received from residents that is used to retire debt which financed water infrastructure projects.

Sewer Debt Fund The sewer debt fund accounts for charges for services received from residents that is used to retire debt which financed sewer infrastructure projects.

Utility Deposits Fund The utility deposits fund holds a portion of charges for services which is maintained to cover returns of utility deposits.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village does not have any trust funds. Agency funds are purely custodial in nature and are used to account for assets held by the Village for individuals, other governments, or other organizations. The Village's agency funds account for mayor's court transactions and balances.

Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held separately in accounts at a financial institution for agency mayor's court balances are reported as "Cash and Cash Equivalents in Segregated Accounts."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2018 was \$1,431, which includes \$943 assigned from other Village funds.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted Assets in the enterprise funds represent amounts withheld on construction contracts, amounts set aside to satisfy for current and future debt payments and the replacement and improvement of capital assets.

Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits.

Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received, and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for maintenance and repair of streets and highways.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution or by State Statute. State Statute authorizes the Village Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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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.

Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general, street construction maintenance & repair, and permissive motor vehicle license tax funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	Street Construction Maintenance & Repair	Permissive Motor Vehicle License
Cash Basis	\$155,812	\$70,155	\$36,767
Encumbrances	(70,177)	(1,283)	0
Budget Basis	\$85,635	\$68,872	\$36,767

Note 4 – Deposits and Investments

State statutes classify monies held by the Village into three categories.

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Active deposits are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

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8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

At year end, the Village had \$16,219 deposited with financial institutions for monies related to the Mayor's Court which are reported as an agency fund. This amount was covered by the FDIC and included in the Village's depository balance.

At December 31, 2018, the carrying amount of all Village deposits was \$477,097 and the bank balance was \$494,651. Of the Village's bank balance, \$233,781 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining was uninsured and collateralized. The Village's remaining balance was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Note 5 – Taxes

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. In 2018, 100% of the receipts were allocated to the general fund.

Note 6 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the Village contracted with several companies for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
USI Public Entities Pool of Ohio		
Blanket Property and Contents, Replacement	\$6,513,880	\$1,000
General Liability	2,000,000	1,000
Automobile Liability	2,000,000	1,000
Public Officials Liability	2,000,000	1,000
Police Professional Liability	2,000,000	1,000
Employment Practice Liability	2,000,000	1,000
Computer - Hardware	82,000	500
Computer - Software	16,000	500
Public Employee Dishonesty	25,000	500
Money and Securities	10,000	500

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

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The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. CareWorks provides administrative, cost control and actuarial services to the GRP.

Note 7– Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Village employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula:	Traditional Plan Formula:	Traditional Plan Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula:	Combined Plan Formula:	Combined Plan Formula:
1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula:	Traditional Plan Formula:	Traditional Plan Formula:
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2018 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee ***	10.0 %	*	**
2018 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
*	This rate is determined by OPERS' Board and has no maximum rate established by ORC.		
**	This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.		
***	Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.		
****	This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.		

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

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The Village's contractually required contribution was \$88,024 for the year 2018. The Village pays both the Employee and Employer contributions to the OPERS fund.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – Village full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police		Firefighters	
2018 Statutory Maximum Contribution Rates				
Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%
2018 Actual Contribution Rates				
Employer:				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50		0.50	
Total Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OP&F was \$83,744 for 2018. The Village pays both the Employee and Employers share of the contributions to OP&F plan.

Social Security

The Village’s part-time employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

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

Note 8 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, State and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was \$88,024 for 2018.

Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple-employer defined postemployment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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

The Village's contractually required contribution to OP&F was \$83,744 for 2018.

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Note 9 – Debt

Notes Payable

The changes in the Village’s notes payable during 2018 were as follows:

	Outstanding 12/31/17	Issued	Retired	Outstanding 12/31/18
Note 401108	\$ 32,184	\$ -	\$ 4,837	\$ 27,347
Note 401107	28,021	-	3,906	24,115
Note 400956	3,357	-	3,357	-
Note 401033	18,448	-	14,707	3,741
Note 401168	-	37,000	5,113	31,887
Note 111590	-	700,000	-	700,000
Note 4011831	-	103,918	6,301	97,617
<i>Ohio Water Development Authority</i>				
Loan 1891 7.21% Sewer Plant	42,141	-	42,141	-
Loan 1892 7.14% Sewer Plant	25,455	-	25,455	-
Loan 1893 6.51% Sewer Plant	26,970	-	26,970	-
Loan 1894 7.38% Sewer Plant	10,906	-	10,906	-
Loan 2879 2.00% Water Plant	435,423	-	75,713	359,710
Loan 4303 1.50% Sewer Plant	2,076,412	-	79,105	1,997,307
Loan 4303 3.99% Sewer Plant	1,721,418	-	78,137	1,643,281
<i>Total OWDA Loans</i>	4,338,725	-	338,427	4,000,298
<i>Ohio Public Works Commission</i>				
Loan CQ017	12,641	-	12,641	-
Total	\$ 4,433,376	\$ 840,918	\$ 389,289	\$ 4,885,005

The Village sold Note 401108 in the amount of \$37,436 to Kingston National Bank on April 15, 2017 to purchase a police vehicle. The Note carries an interest rate of 3.10% and requires monthly payments. The Note matures on April 15, 2022.

The Village sold Note 401107 in the amount of \$32,594 to Kingston National Bank on April 15, 2017 to purchase police equipment. The Note carries an interest rate of 3.10% and requires monthly payments. The note matures on April 15, 2022.

The Village sold Note 400956 in the amount of \$29,417 to Kingston National Bank on April 21, 2015 to purchase a police vehicle. The note carries an interest rate of 2.75% and requires monthly payments. The note matured on April 15, 2018.

The Village sold Note 401033 in the amount of \$43,233 to Kingston National Bank on April 15, 2016 to purchase a police vehicle. The note carries an interest rate of 2.75% and requires monthly payments. The note matures on March 15, 2019.

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

The Village sold Note 401168 in the amount of \$37,000 to Kingston National Bank on April 02, 2018 to purchase Street Department equipment. The note carries an interest rate of 3.80% and requires monthly payments. The note matures on April 15, 2021.

The Village sold Note 111590 in the amount of \$700,000 to Kingston National Bank on July 03, 2018 for the purpose of designing, constructing and equipping a new Village Hall. The note carries an interest rate of 4.15% and requires monthly payments. The note matures on June 01, 2034.

The Village sold Note 4011831 in the amount of \$103,917.96 to Kingston National Bank on September 24, 2018 for the purchase of 3 new police cruisers. The note carries an interest rate of 4.0% and requires monthly payments. The note matures on September 15, 2023.

The Ohio Water Development Authority (OWDA) loans relate to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$9,148,357 in loans to the Village for this project. The loans will be repaid in semiannual installments as noted in the following tables, including interest, over 20 years. The scheduled payments will be adjusted to reflect any revisions in amounts actually borrowed.

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

Year Ended December 31	OWDA 4303	OWDA 2879	NOTE 401033	NOTE 401107	NOTE 401108	NOTE 111590	NOTE 4011831	NOTE 401168
2019	256,104	84,422	3,755	7,045	8,092	32,520	22,966	13,070
2020	256,104	84,422		7,045	8,092	65,121	22,966	13,070
2021	256,104	84,422		7,045	8,092	65,121	22,966	5,747
2022	256,104	84,422		2,980	3,071	65,121	22,966	
2023	256,104	84,422				65,121	17,225	
2024-2028	1,280,520					325,605		
2029-2033	1,280,520					325,605		
2034-2037	896,364					27,384		
	4,737,924	422,110	3,755	24,115	27,347	971,598	109,089	31,887

Note 10 – Construction and Contractual Commitments

Village of South Bloomfield is currently underway of building a new Municipal Building to be located at our Village Park. The building will be 6,000 square feet and will service out administrative offices and Council of Chambers. Funding is being provided by Kingston National Bank via mortgage loan in amount of \$700,000 for 15 year term. New building will be completed by summer 2019.

Village will also be building a new shelter house at the park in the summer of 2019.

Note 11 – Contingent Liabilities

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

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 12 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

Note 13 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Street Const. Maint. & Repair	Permissive Motor Vehicle License	Other Governmental Funds	Total
Restricted for					
Road Improvements	\$0	\$70,155	\$36,767	\$12,663	\$119,585
Police Operations	0	0	0	3,299	3,299
Community Development	0	0	0	2,381	2,381
Economic Development	0	0	0	39	39
<i>Total Restricted</i>	<u>0</u>	<u>70,155</u>	<u>36,767</u>	<u>18,382</u>	<u>125,304</u>
Committed to					
Other Purposes	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,341</u>	<u>9,341</u>
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,341</u>	<u>9,341</u>
Assigned to					
Other Purposes	<u>155,812</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>155,812</u>
<i>Total Assigned</i>	<u>155,812</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>155,812</u>
Unassigned (Deficits)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances</i>	<u><u>\$155,812</u></u>	<u><u>\$70,155</u></u>	<u><u>\$36,767</u></u>	<u><u>\$27,723</u></u>	<u><u>\$290,457</u></u>

Note 14 – Change in Basis of Accounting and Restatement of Net Position/Fund Equity

Last year the Village reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor’s Office. This year the Village has implemented the cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type

Village of South Bloomfield, Ohio
Pickaway County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 15 – Subsequent Events

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

The Village went into development agreements with 1 new apartment complex and 2 existing developments. This caused a large increase to the Water and Sewer Funds for Tap Fees.

On June 15, 2020, the Village accepted a new refinance rate on the Municipal Building loan from 4.15% to 3.86%.

On February 11, 2019, the Village received \$13,000 Grant from Pickaway Trail and Park Grant for new shelter house project. The project was completed in 2020.

OHIO AUDITOR OF STATE KEITH FABER



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

Village of South Bloomfield
Pickaway County
5023 South Union Street
South Bloomfield, Ohio 43103

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 cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of South Bloomfield, Pickaway County, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated March 29, 2023, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures which may impact subsequent periods of the Village. We also qualified our opinion due to the lack of sufficient appropriate audit evidence to support the Equity in Pooled Cash and Cash Equivalents, Net Position, and the Fund Balances reported for the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2019 and 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2019-001 through 2019-004 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the 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 2019-003 through 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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 29, 2023

**VILLAGE OF SOUTH BLOOMFIELD
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001

Financial Reporting – Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discusses in AU-C Section 210 paragraphs.A14 & .A16.

Due to the lack of internal controls in place to ensure receipts, expenditures, and fund balances are properly classified on the financial statements, we identified material audit adjustments as listed below.

The following reclassifications and adjustments were made to the December 31, 2019, financial statements, applicable footnote disclosures, and accounting records where applicable:

- Reclassification of General Fund disbursements for the purchase of a vehicle from Other Financing Uses to Capital Outlay in the amount of \$61,816 and the purchase of well services from Other Financing Uses to Basic Utility Services in the amount of \$37,492. These reclassifications are also reflected in the Governmental Activities on the Statement of Activities, as well as the General Fund Budgetary Statement.
- Reclassification of Other Governmental Funds receipts from building permits in the Parks and Recreation Fund (fund 2041) from Special Assessments to Fines, Licenses and Permits in the amount of \$47,465. This adjustment is also reflected in the Governmental Activities on the Statement of Activities as a reclassification from Program Revenue, Operating Grants and Contributions, to Program Revenue, Charges for Services, in the amount of \$47,465.
- Adjustment to move Maronda Homes Inspection fund activity and balances from Custodial to Other Governmental Funds. This adjustment increases Other Governmental Funds Cash balances by \$31,842; increases Fines, Licenses and Permits by \$33,684; and increases Transportation Expense by \$1,842. This adjustment is also reflected in the Statement of Net Position and the Statement of Activities for Governmental Activities.
- Adjustments to Custodial Fund reports to include Mayor's Court cash balance and activity which is maintained separately from the Village's accounting system. These adjustments increase Cash in Segregated Accounts by \$58,860; increase Beginning Balance by \$16,219; increase Charges for Services by \$59,281; and increase Other Distributions by \$16,640.
- Reclassification of Street Construction Maintenance Repair Fund disbursements from Transportation to Debt Principal and Interest in the amount of \$8,137 and General Fund disbursements from General Government to Debt Principal and Interest in the amount of \$73,330 to properly report debt related disbursements. These reclassifications are also reflected in the Statement of Activities and the Street Construction Maintenance Repair Fund Budgetary Statement and General Fund Budgetary Statement.
- Adjustment of Principal and Interest payments from Water Debt Fund to Sewer Debt Fund in the amount of \$13,760. This adjustment is also reflected in the Proprietary Statement of Cash Flows as well as the Statement of Activities.

**VILLAGE OF SOUTH BLOOMFIELD
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDING NUMBER 2019-001 (continued)

Financial Reporting – Material Weakness (continued)

The following reclassifications and adjustments were made to the December 31, 2018, financial statements, applicable footnote disclosures, and accounting records where applicable:

- Reclassification of fund balance in the General Fund from Unassigned to Assigned in the amount of \$155,812 to properly classify subsequent appropriations in excess of estimated receipts plus year end outstanding encumbrances as Assigned.
- Reclassification of loan issuance proceeds from Other Financing Sources to Loans Issued in the amount of \$103,918 in the General Fund and Notes Issued in the amount of \$37,000 in the Street Construction Maintenance Repair Fund. These reclassifications are also reflected in the Governmental Activities on the Statement of Activities as a reclassification from General Receipts, Miscellaneous, to General Receipt, Loans Issued, in the amount of \$103,918 and General Receipt, Notes Issued in the amount of \$37,000. In addition, these reclassifications are reflected in the General Fund Budgetary Statement and the Street Construction and Maintenance Repair Fund Budgetary Statement.
- Reclassification of Other Governmental Funds receipts from building permits in the Parks and Recreation Fund (fund 2041) from Special Assessments to Fines, Licenses and Permits in the amount of \$22,135. This adjustment is also reflected in the Governmental Activities on the Statement of Activities as a reclassification from Program Revenue, Operating Grants and Contributions, to Program Revenue, Charges for Services, in the amount of \$22,135.
- Reclassification of Other Governmental Funds receipts from a sale of capital assets in the Capital Project Fund (fund 4903) from Charges for Services to Sale of Capital Asset in the amount of \$96,125. This adjustment is also reflected in the Governmental Activities on the Statement of Activities as a reclassification from Program Revenue, Charges for Services, to General Receipt, Sale of Capital Assets, in the amount of \$96,125.
- Adjustment to report off-book Mayor's Court cash balance as Cash in Segregated Accounts for the Agency Fund in the amount of \$16,219.
- Adjustment increasing Cash Fund Balance in the Water Operating Fund by \$27,500 and increasing Cash Fund Balance in the Sewer Operating Fund by \$27,500 to correct a fund balance adjustment in relation to ordinance 2017-20 in which the Village is understating cash balance by a total of \$55,000. This adjustment is also reflected in the Business Type Activities on the Statement of Net Position increasing Equity in Pooled Cash in the amount of \$55,000.
- Reclassification of Street Construction Maintenance Repair Fund disbursements from Transportation to Debt Principal and Interest in the amount of \$6,103 and General Fund disbursements from General Government to Debt Principal and Interest in the amount of \$35,457 to properly report debt related disbursements. These reclassifications are also reflected in the Statement of Activities and the Street Construction Maintenance Repair Fund Budgetary Statement and General Fund Budgetary Statement.
- Adjustment in the General Fund to report receipts from note issuance as well as related Capital Outlay expenditures in the amount of \$700,000 to properly account for the financial activity related to the construction of the Village Hall. This adjustment is also reflected in the Statement of Activities and the General Fund Budgetary Statement.

**VILLAGE OF SOUTH BLOOMFIELD
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDING NUMBER 2019-001 (continued)

Financial Reporting – Material Weakness (continued)

The applicable audit adjustments listed above are also reflected in the 2019 and 2018 Notes to the Basic Financial Statements. The Notes to the Basic Financial Statements have also been updated for corrections and adjustments to accurately reflect all required disclosures. Most significant among these adjustments are as follows.

- Note 2, Summary of Significant Accounting Policies, were adjusted to correctly identify the Village's major funds, and to remove references to modified cash accounting.
- Note 3, Budgetary Basis of Accounting, was adjusted to disclose the reconciliation between Cash Basis and Budget Basis.
- Note 10 (2019) and Note 9 (2018), Debt disclosures were adjusted to properly reflect all outstanding debt at year end and the activity incurred during each year. The Debt note disclosures were also updated to properly report the amortization schedules of all debt outstanding as of the end of each year.

Lack or failure of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the Fiscal Officer utilize Auditor of State resources such as the Village Officer's Handbook and Audit Bulletins and apply that guidance to ensure Village transactions are accurately accounted for in the Village's funds based on each fund's definition and purpose. By exercising accuracy in recording financial activity, the Village can reduce posting errors and increase the reliability of the financial data throughout the year. The fiscal officer should provide monthly financial reports to Village Council to review.

FINDING NUMBER 2019-002

Bank Reconciliation – Material Weakness

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance monthly, and the Village Council and/or other administrator are responsible for reviewing the reconciliations and related support.

The Village did perform bank to book reconciliations throughout 2019 and 2018. However, reconciliations were not performed timely after month's end and the reconciliations were not reviewed and approved by Council. The December 31, 2019 and 2018, bank to book reconciliations included unsupported variance between bank and book balances of \$9,033 for both years. The unsupported variance results in a Qualified Opinion as described in the Independent Auditor's Report.

**VILLAGE OF SOUTH BLOOMFIELD
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDING NUMBER 2019-002 (continued)

Bank Reconciliation – Material Weakness (continued)

After December 31, 2019, the Village entered fund balance adjustments to the Village's accounting records to reconcile the fund balances per the accounting system to the bank account balances. However, the Village was not able to provide sufficient appropriate audit evidence supporting the individual funds to which the adjustments were recorded.

Failure to reconcile monthly with no variances, increases the possibility that the Village will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should record all transactions and timely prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented, and corrected. In addition, the Village Council should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

FINDING NUMBER 2019-003

Finding for Recovery Partially Repaid Under Audit, Kelly Neal – Material Weakness

The Receipt Clerk for the Village is responsible for collecting, posting and preparing deposits for receipts relating to income taxes, mayor's court, planning, and zoning. A separate computer system, duplicate receipt book and money bag are maintained by the Village for each receipt type. As payments are received, the control process requires a receipt to be written in triplicate, with a copy going to the customer, a copy attached to the deposit and one copy to remain in the receipt book. The Receipt Clerk then posts the receipt in the applicable system. Either daily or weekly, the deposit slip is prepared along with copies of all supporting documentation and is turned in to the Chief Fiscal Officer for review and deposit.

These control procedures were not always followed and sometimes the former Receipt Clerk, Kelly Neal, would take the deposits to the bank herself. After Ms. Neal's termination in September 2015, the new Receipt Clerk found income tax returns that had never been processed, a mayor's court receipt that wasn't deposited for \$1,000, and multiple Village residents who came in with proof that monies had been paid to the Village but were never posted by Ms. Neal or deposited into the Village's account. Overall, a total of \$14,259 of income tax receipts spanning from 2010 through 2015 were noted as being collected by Ms. Neal but not deposited. In addition, checks were noted in Village records that were collected by Ms. Neal but never deposited totaling \$284.

On March 11, 2020, Ms. Neal pleaded to a bill of information relating to one count of grand theft (a felony in the fourth degree) in Pickaway County Common Pleas Court Case No. 2020 CR 0040. On June 24, 2020, Ms. Neal made full restitution in the amount of \$13,970 prior to being sentenced by the Honorable Randall Knece, Pickaway County Common Pleas Court Judge, in the above cited case, to 16 months in prison.

In accordance with the foregoing facts and court Order, and pursuant to Ohio Rev. Code §117.28 a Finding for Recovery for public property converted or misappropriated is hereby issued against Kelly Neal in the amount of \$13,970 and in favor of the Village's General Fund for \$12,970 and the Mayor's Court Agency Fund for \$1,000.

**VILLAGE OF SOUTH BLOOMFIELD
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDING NUMBER 2019-003 (continued)

Finding for Recovery Partially Repaid Under Audit, Kelly Neal – Material Weakness (continued)

Additionally, a Finding for Recovery for monies collected, but unaccounted for is hereby issued against Kelly Neal in the amount of \$1,573 and in favor of the Village's General Fund. This amount remains unpaid.

Accordingly, we consider this finding partially repaid under audit.

FINDING NUMBER 2019-004

Transfers – Material Weakness / Noncompliance

Ohio Rev. Code § 5705.14 states no transfer shall be made from one fund of a subdivision to any other fund, by order of the court or otherwise, with some exceptions outlined in the statute.

Ohio Rev. Code § 5705.14(D) states the unexpended balance in any special fund, other than an improvement fund, existing in accordance with division (D), (F), or (G) of section 5705.09 or section 5705.12 of the Revised Code, may be transferred to the general fund or to the sinking fund or bond retirement fund after the termination of the activity, service, or other undertaking for which such special fund existed, but only after the payment of all obligations incurred and payable from such special fund.

Ohio Rev. Code § 5705.15 states that in addition to the transfers authorized in section 5705.14 of the Revised Code, the taxing authority of any political subdivision may, in the manner provided in this section and section 5705.16 of the Revised Code, transfer from one fund to another any public funds under its supervision.

Ohio Rev. Code § 5705.16 states a resolution of the taxing authority of any political subdivision shall be passed by a majority of all the members thereof, declaring the necessity for the transfer of funds authorized by section 5705.15 of the Revised Code, and such taxing authority shall submit to the tax commissioner a petition that includes the name and amount of the fund, the fund to which it is desired to be transferred, a copy of such resolution with a full statement of the proceedings pertaining to its passage, and the reason or necessity for the transfer.

The Village recorded the following transfers which are not allowable based on the above listed compliance requirements of Ohio Rev. Code § 5705.14-16. Audit adjustments have been made to reverse the transfers, returning the balances to the originating funds. As such the reported fund balances are accurately stated in audited financial statements. These fund balance adjustments have been entered into the Village accounting system.

- For the year ending December 31, 2019, the Village approved a \$40,000 transfer of funds from the Utility Deposit Fund, a proprietary fund, to the General Fund. This transfer was recorded to the Village's accounting system as a Fund Balance Adjustment. There was not appropriate audit evidence supporting a fund balance adjustment of \$40,000. Therefore, this fund balance adjustment is identified as an unallowable transfer and has been reversed on the audited financial statements as described above. Eliminating the \$40,000 transfer results in a negative fund balance in the General Fund in the amount \$11,761 as of December 31, 2019.

**VILLAGE OF SOUTH BLOOMFIELD
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDING NUMBER 2019-004 (continued)

Transfers – Material Weakness / Noncompliance (continued)

- For the year ending December 31, 2019, the Village approved a \$40,000 transfer of funds from the Water Operating Fund, a proprietary fund, to the General Fund. The purpose of this transfer was to reimburse the General Fund for expenses for installing a well. The cost of installing the well is identified as allowable expenditures for the Water Operating Fund that were charged to the General fund during 2019. Therefore, the financial statements have been adjusted to reflect the water well expenditures of \$40,000 as occurring in the Water Operating fund and eliminating the unallowable transfer.
- For the year ended December 31, 2018, the Village approved a \$30,600 transfer of funds from the Sewer Debt Fund, a proprietary fund, to the Water Operating Fund (and was incorrectly recorded in the Village ledgers as an Advance). This transfer is identified as an unallowable transfer and has been reversed on the audited financial statements as described above.

The Village should establish and implement procedures to verify that all interfund transfers are in accordance with the Ohio Revised Code. Failure to do so could result in findings for adjustment and non-compliance citations being issued in future audits.

FINDING NUMBER 2019-005

Comingled General Fund Monies Used For Debt Payments – Noncompliance

Ohio Rev. Code § 5705.05 provides that the purpose and intent of the general levy for current expenses is to provide one general operating fund derived from taxation from which any expenditures for current expenses of any kind may be made. The taxing authority of a political subdivision may include in such levy the amounts required for carrying into effect any of the general or special powers granted by law to such subdivision, including the acquisition or construction of permanent improvements and the payment of judgments, but excluding the payment of debt charges. The power to include in the general levy for current expenses additional amounts for purposes for which a special tax is authorized shall not affect the right or obligation to levy such special tax.

1981 Op. Att’y. Gen. No. 81-035 explains, in analyzing the constraints of **Ohio Rev. Code § 5705.05**, that certain moneys paid into the general fund which are not derived from a general levy for current expenses are placed in the general fund precisely because their use is not restricted. (citing **Ohio Rev. Code § 5705.10**). Money in the general fund may be used for purposes apart from those set forth for general levy or other similarly restricted revenues. As a result, such moneys may be used only where the entity can establish that they do not include any revenues derived from a general levy for current expenses, the local government fund, or any other similarly restricted revenues. Creation of special funds directly into which moneys from sources other than the general property tax may be paid would prevent such moneys, for example, those derived from sales and use taxes, from becoming commingled with other restricted moneys within the general fund, and would thus alleviate the potential problem with distinguishing sources.

In sum, such monies may be used to pay debt charges provided that they have not been commingled with general fund monies which may not be used for debt payment. Where otherwise unrestricted monies have been paid into the general fund and have been commingled with restricted monies to the extent that the particular source from which the monies originated cannot be distinguished, such monies may be used to pay debt charges only after they have been transferred to an appropriate fund.

**VILLAGE OF SOUTH BLOOMFIELD
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018
(Continued)**

FINDING NUMBER 2019-005 (continued)

Comingled General Fund Monies Used For Debt Payments – Noncompliance (continued)

The Village made general obligation interest and principal payments from the General Fund where general tax levy monies were commingled with other General Fund monies. The Village did not separately identify those monies for current expenses or create a debt service fund for the expenditures to be made. During 2018 and 2019, expenditures for debt obligations of \$35,457 and \$73,330, respectively, were paid from the comingled General Fund when these expenditures should have been made from a governmental debt service fund. The Village did not establish a debt service fund in 2018 and 2019.

Repaying debt from General Fund can result in misuse of tax levy dollars which are to be used for covering current expenses.

The Village should establish a governmental debt service fund and utilize that fund to make payments towards general obligation debt issuances.

Officials' Response

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

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Village of South Bloomfield

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Office hours: Monday thru Friday 9:00am-5:00pm

Website: www.southbloomfieldoh.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2019 and 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Material Weakness – Financial Reporting	Not Corrected	Reissued as Finding Number 2019-001.
2017-002	Noncompliance and Finding for Recovery – Cash Withdrawals	Partially Corrected	Reissued as in Management Letter.
2017-003	Material Weakness – Utility Billing Adjustments	Corrected	
2017-004	Noncompliance – Approval of Transfers and Advances	Corrected	
2017-005	Noncompliance – Expenditures Exceed Appropriations	Corrected	
2017-006	Noncompliance – Related Party Transactions	Corrected	

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SOUTH BLOOMFIELD

PICKAWAY 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 5/4/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov