



**VILLAGE OF BRADFORD
MIAMI COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

749 Wheeling Ave., #300
Cambridge, OH 43725
740 435 3417

www.perrycpas.com

OHIO AUDITOR OF STATE
KEITH FABER



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

Members of Village Council
Village of Bradford
115 North Miami Street
Bradford, Ohio 45308

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

June 21, 2021

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VILLAGE OF BRADFORD
MIAMI COUNTY

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INDEPENDENT AUDITOR'S REPORT

May 20, 2021

Village of Bradford
Miami County
115 North Miami Street
Bradford, OH 45308

To the Village Council:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



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

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 31,940	\$ 249,873	\$ 281,813
Municipal Income Tax	185,939	-	185,939
Intergovernmental	71,875	437,305	509,180
Special Assessments	15,010	54,233	69,243
Fines, Licenses and Permits	20,528	-	20,528
Earnings on Investments	614	-	614
Miscellaneous	10,086	2,726	12,812
<i>Total Cash Receipts</i>	<u>335,992</u>	<u>744,137</u>	<u>1,080,129</u>
Cash Disbursements			
Current:			
Security of Persons and Property	91,131	106,171	197,302
Leisure Time Activities	12,087	-	12,087
Transportation	-	216,473	216,473
General Government	151,838	-	151,838
Capital Outlay	122,391	419,087	541,478
Debt Service:			
Principal Retirement	-	37,171	37,171
<i>Total Cash Disbursements</i>	<u>377,447</u>	<u>778,902</u>	<u>1,156,349</u>
<i>Net Change in Fund Cash Balances</i>	(41,455)	(34,765)	(76,220)
<i>Fund Cash Balances, January 1</i>	<u>391,786</u>	<u>289,444</u>	<u>681,230</u>
Fund Cash Balances, December 31			
Restricted	-	254,679	254,679
Assigned	350,331	-	350,331
<i>Fund Cash Balances, December 31</i>	<u>\$ 350,331</u>	<u>\$ 254,679</u>	<u>\$ 605,010</u>

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

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>(Memorandum Only)</u>
Operating Cash Receipts:			
Charges for Services	\$ 1,023,871	\$ -	\$ 1,023,871
<i>Total Operating Cash Receipts</i>	<u>1,023,871</u>	<u>-</u>	<u>1,023,871</u>
Operating Cash Disbursements:			
Personal Services	147,450	-	147,450
Employee Fringe Benefits	79,002	-	79,002
Contractual Services	321,006	-	321,006
Supplies and Materials	69,323	-	69,323
<i>Total Operating Cash Disbursements</i>	<u>616,781</u>	<u>-</u>	<u>616,781</u>
<i>Operating Income</i>	<u>407,090</u>	<u>-</u>	<u>407,090</u>
Non-Operating Cash Receipts (Disbursements):			
Intergovernmental	648,117	-	648,117
Special Assessments	11,319	-	11,319
Miscellaneous Receipts	20,150	-	20,150
Capital Outlay	(833,075)	-	(833,075)
Principal Retirement	(265,386)	-	(265,386)
Interest and Other Fiscal Charges	(20,152)	-	(20,152)
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<u>(439,027)</u>	<u>-</u>	<u>(439,027)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(31,937)</u>	<u>-</u>	<u>(31,937)</u>
<i>Fund Cash Balances, January 1</i>	<u>910,784</u>	<u>650</u>	<u>911,434</u>
Fund Cash Balances, December 31	<u>\$ 878,847</u>	<u>\$ 650</u>	<u>\$ 879,497</u>

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 – Reporting Entity

The Village of Bradford, Miami County, (the Village) as a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, refuse services and park operations. The Village contracts with the Bradford Fire and Rescue Volunteer Fire Department to receive fire protection services.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

Special Revenue Funds – These funds account for and report the proceeds from specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

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

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

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

Sewer Fund – The sewer fund accounts for the provision of sanitary sewer services to the residents of the Village.

Refuse Fund – The refuse fund accounts for the provision of garbage collection services to the residents of the Village.

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Fiduciary Funds – Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village’s own programs. The Village has no trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations, or other governments. The Village disburses these funds as directed by the individual, organization, or other government. The Village’s agency funds account for the Mayor’s Court Fund and the Sidewalk Bond Fund. The Mayor’s Court Fund receives revenues and fines and fees issued by the Mayor’s Court, which are then distributed to other governments. The Village’s Mayor’s Court was abolished in 2011; however, funds remain in the account as of December 31, 2019. The Sidewalk Bond Fund receives deposits from developers and refunds those deposits to the developers upon completion of the project.

Basis of Accounting

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

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

Budgetary Process

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

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

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

Encumbrances – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

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

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 3 – Budgetary Activity

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 331,088	\$ 335,992	\$ 4,904
Special Revenue	753,091	744,137	(8,954)
Enterprise	1,737,672	1,703,457	(34,215)
Total	\$ 2,821,851	\$ 2,783,586	\$ (38,265)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 722,874	\$ 377,447	\$ 345,427
Special Revenue	1,042,536	778,902	263,634
Enterprise	2,648,456	1,735,394	913,062
Total	\$ 4,413,866	\$ 2,891,743	\$ 1,522,123

Note 4 – Deposits

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

	2019
Demand deposits	\$ 1,484,507
Total deposits	\$ 1,484,507

Deposits

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

Note 5 – Taxes

Property Taxes

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

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 5 – Taxes (Continued)

Income Taxes

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

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

Note 6 – Risk Management

Risk Pool Membership

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2019, retention levels are \$50,000 and \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus at March 31, 2019.

Assets	\$1,582,183
Liabilities	<u>(1,087,219)</u>
Accumulated Surplus	\$ <u>494,964</u>

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2019.

Note 9 – Debt

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA #3752	\$ 151,764	4.84%
OWDA #4135	70,299	0.00%
OWDA #4430	366,857	0.00%
OWDA #5972	1,639,495	0.00%
OWDA #7435	240,719	2.41%
OWDA #7686	564,814	1.14%
OPWC #CK13P	1,166,667	0.00%
OPWC #CT34H	13,500	0.00%
OPWC #CT22I	37,500	0.00%
OPWC #CT23J	47,389	0.00%
OPWC #CT32S	483,333	0.00%
Total	<u>\$ 4,782,337</u>	

The Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC) loans relate to water and sewer plant improvements and reconstruction of streets. OWDA #4430 is being repaid 58% from the Street Construction, Maintenance and Repair Fund and OPWC CT22I and OPWC CT23J are being repaid 100% from the Street Construction, Maintenance and Repair Fund. OWDA and OPWC loans will be paid in semiannual installments, including interest, over 20 years. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements.

OWDA #3752 includes a non-cash adjustment, which increased the principal balance by \$31. OWDA #4430 includes a non-cash adjustment, which increased the principal balance by of \$13. OWDA #5972 includes a non-cash adjustment, which increased the principal balance by \$33, and OWDA #7686 includes a non-cash adjustment, which decreased the principal balance by \$579. The Village also overpaid their July OWDA payment by \$1,573, and was subsequently reimbursed by OWDA.

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 9 – Debt (Continued)

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

Year ending December 31:	OPWC #CK13P	OPWC #CT34H	OPWC #CT22I	OPWC #CT23J	OPWC #CT32S	Total OPWC
2020	\$ 23,333	\$ 1,125	\$ 2,500	\$ 2,788	\$ 8,333	\$ 38,079
2021	46,667	2,250	5,000	5,575	16,667	76,159
2022	46,667	2,250	5,000	5,575	16,667	76,159
2023	46,667	2,250	5,000	5,575	16,667	76,159
2024	46,667	2,250	5,000	5,575	16,667	76,159
2025-2029	233,333	3,375	15,000	22,301	83,335	357,344
2030-2034	233,333	-	-	-	83,335	316,668
2035-2039	233,333	-	-	-	83,335	316,668
2040-2044	233,333	-	-	-	83,335	316,668
2045-2049	23,334	-	-	-	74,992	98,326
Total	\$ 1,166,667	\$ 13,500	\$ 37,500	\$ 47,389	\$ 483,333	\$ 1,748,389

Year ending December 31:	OWDA #3752	OWDA #4135	OWDA #4430	OWDA #5972	OWDA #7435	OWDA #7686	Total OWDA
2020	\$ 40,978	\$ 12,782	\$ 45,854	\$ 113,066	\$ 12,023	\$ 22,928	\$ 224,703
2021	41,278	12,785	45,854	113,066	12,023	22,928	225,006
2022	41,952	12,782	45,854	113,066	12,023	22,928	225,677
2023	41,922	12,782	45,854	113,066	12,023	22,928	225,647
2024	-	12,782	45,854	113,066	12,023	22,928	183,725
2025-2029	-	6,386	137,587	508,797	60,115	114,639	712,885
2030-2034	-	-	-	565,368	60,115	114,639	625,483
2035-2039	-	-	-	-	60,115	114,639	60,115
2040-2044	-	-	-	-	60,115	114,639	60,115
2045-2049	-	-	-	-	30,055	91,711	30,055
Total	\$ 166,130	\$ 70,299	\$ 366,857	\$ 1,639,495	\$ 330,630	\$ 664,907	\$ 2,573,411

Note 10 – Contingent Liabilities

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

Note 11 – Subsequent Events

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

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Property and Other Local Taxes	\$ 31,319	\$ 199,011	\$ 230,330
Municipal Income Tax	207,097	-	207,097
Intergovernmental	64,336	116,656	180,992
Special Assessments	-	51,858	51,858
Charges for Services	1,140	-	1,140
Fines, Licenses and Permits	21,217	-	21,217
Earnings on Investments	37	-	37
Miscellaneous	16,772	-	16,772
<i>Total Cash Receipts</i>	<u>341,918</u>	<u>367,525</u>	<u>709,443</u>
Cash Disbursements			
Current:			
Security of Persons and Property	89,442	61,010	150,452
Leisure Time Activities	4,281	-	4,281
Transportation	-	227,571	227,571
General Government	167,326	-	167,326
Capital Outlay	-	32,409	32,409
Debt Service:			
Principal Retirement	-	37,171	37,171
<i>Total Cash Disbursements</i>	<u>261,049</u>	<u>358,161</u>	<u>619,210</u>
<i>Net Change in Fund Cash Balances</i>	80,869	9,364	90,233
<i>Fund Cash Balances, January 1</i>	<u>310,917</u>	<u>280,080</u>	<u>590,997</u>
Fund Cash Balances, December 31			
Restricted	-	289,444	289,444
Assigned	373,778	-	373,778
Unassigned	18,008	-	18,008
<i>Fund Cash Balances, December 31</i>	<u>\$ 391,786</u>	<u>\$ 289,444</u>	<u>\$ 681,230</u>

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

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>(Memorandum Only)</u>
Operating Cash Receipts:			
Charges for Services	\$ 995,545	\$ -	\$ 995,545
Miscellaneous	6,600	-	6,600
<i>Total Operating Cash Receipts</i>	<u>1,002,145</u>	<u>-</u>	<u>1,002,145</u>
Operating Cash Disbursements:			
Personal Services	149,211	-	149,211
Employee Fringe Benefits	75,786	-	75,786
Contractual Services	287,984	-	287,984
Supplies and Materials	94,455	-	94,455
Other	-	1,238	1,238
<i>Total Operating Cash Disbursements</i>	<u>607,436</u>	<u>1,238</u>	<u>608,674</u>
<i>Operating Income (Loss)</i>	<u>394,709</u>	<u>(1,238)</u>	<u>393,471</u>
Non-Operating Cash Receipts (Disbursements):			
Intergovernmental	163,728	-	163,728
Special Assessments	12,019	-	12,019
Miscellaneous Receipts	1,907	-	1,907
Debt Proceeds	959,428	-	959,428
Capital Outlay	(1,186,128)	-	(1,186,128)
Principal Retirement	(232,815)	-	(232,815)
Interest and Other Fiscal Charges	(15,231)	-	(15,231)
Other Financing Sources	-	1,238	1,238
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<u>(297,092)</u>	<u>1,238</u>	<u>(295,854)</u>
<i>Net Change in Fund Cash Balances</i>	97,617	-	97,617
<i>Fund Cash Balances, January 1 (Restated - See Note 12)</i>	<u>813,167</u>	<u>650</u>	<u>813,817</u>
Fund Cash Balances, December 31	<u><u>\$ 910,784</u></u>	<u><u>\$ 650</u></u>	<u><u>\$ 911,434</u></u>

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1 – Reporting Entity

The Village of Bradford, Miami County, (the Village) as a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, refuse services and park operations. The Village contracts with the Bradford Fire and Rescue Volunteer Fire Department to receive fire protection services.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

Special Revenue Funds – These funds account for and report the proceeds from specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

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

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

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

Sewer Fund – The sewer fund accounts for the provision of sanitary sewer services to the residents of the Village.

Refuse Fund – The refuse fund accounts for the provision of garbage collection services to the residents of the Village.

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Fiduciary Funds – Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village has no trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations, or other governments. The Village disburses these funds as directed by the individual, organization, or other government. The Village's agency funds account for the Mayor's Court Fund and the Sidewalk Bond Fund. The Mayor's Court Fund receives revenues and fines and fees issued by the Mayor's Court, which are then distributed to other governments. The Village's Mayor's Court was abolished in 2011; however, funds remain in the account as of December 31, 2018. The Sidewalk Bond Fund receives deposits from developers and refunds those deposits to the developers upon completion of the project.

Basis of Accounting

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

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

Budgetary Process

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

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

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

Encumbrances – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

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

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

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 3 – Budgetary Activity

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 346,522	\$ 341,918	\$ (4,604)
Special Revenue	367,580	367,525	(55)
Enterprise	1,569,257	2,139,227	569,970
Total	\$ 2,283,359	\$ 2,848,670	\$ 565,311

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 657,439	\$ 261,049	\$ 396,390
Special Revenue	647,659	358,161	289,498
Enterprise	2,382,424	2,041,610	340,814
Total	\$ 3,687,522	\$ 2,660,820	\$ 1,026,702

Note 4 – Deposits

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

	2018
Demand deposits	\$ 1,592,664
Total deposits	\$ 1,592,664

Deposits

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

Note 5 – Taxes

Property Taxes

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

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 5 – Taxes (Continued)

Income Taxes

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

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

Note 6 – Risk Management

Risk Pool Membership

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2018, retention levels are \$50,000 and \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus at March 31, 2018.

Assets	\$1,341,128
Liabilities	<u>(884,941)</u>
Accumulated Surplus	\$ <u>456,187</u>

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2018.

Note 9 – Debt

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA #3752	\$ 185,344	4.84%
OWDA #4135	83,081	0.00%
OWDA #4430	412,699	0.00%
OWDA #5972	1,752,528	0.00%
OWDA #7435	244,461	2.41%
OWDA #7686	581,163	1.14%
OPWC #CK13P	1,213,333	0.00%
OPWC #CT34H	15,750	0.00%
OPWC #CT22I	42,500	0.00%
OPWC #CT23J	52,964	0.00%
OPWC #CT32S	500,000	0.00%
Total	<u>\$ 5,083,823</u>	

The Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC) loans relate to water and sewer plant improvements and reconstruction of streets. OWDA #4430 is being repaid 58% from the Street Construction, Maintenance and Repair Fund and OPWC CT22I and OPWC CT23J are being repaid 100% from the Street Construction, Maintenance and Repair Fund. OWDA and OPWC loans will be paid in semiannual installments, including interest, over 20 years. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements. OWDA #7435 includes a non-cash adjustment, which decreased the principal balance by \$1,201. OWDA #7686 includes capitalized interest, which increased the principal balance by \$1,367. OPWC CT32S was not presented in 2017 debt footnote. Debt proceeds were received but recorded as intergovernmental revenue in 2017. We will restate the December 31, 2017 ending loan balance of OPWC CT32S as \$72,217.

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 9 – Debt (Continued)

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

Year ending December 31:	OPWC #CK13P	OPWC #CT34H	OPWC #CT22I	OPWC #CT23J	OPWC #CT32S	Total OPWC
2019	\$ 46,667	\$ 2,250	\$ 5,000	\$ 5,575	\$ 16,667	\$ 76,159
2020	23,333	1,125	2,500	2,788	8,333	38,079
2021	46,667	2,250	5,000	5,575	16,667	76,159
2022	46,667	2,250	5,000	5,575	16,667	76,159
2023	46,667	2,250	5,000	5,575	16,667	76,159
2024-2028	233,333	5,625	20,000	27,876	83,335	370,169
2029-2033	233,333	-	-	-	83,335	316,668
2034-2038	233,333	-	-	-	83,335	316,668
2039-2043	233,333	-	-	-	83,335	316,668
2044-2048	70,000	-	-	-	83,335	153,335
2049	-	-	-	-	8,324	8,324
Total	\$ 1,213,333	\$ 15,750	\$ 42,500	\$ 52,964	\$ 500,000	\$ 1,824,547

Year ending December 31:	OWDA #3752	OWDA #4135	OWDA #4430	OWDA #5972	Total OWDA
2019	\$ 40,692	\$ 12,782	\$ 45,854	\$ 113,066	\$ 212,394
2020	40,978	12,782	45,854	113,066	212,680
2021	41,278	12,782	45,854	113,066	212,980
2022	41,592	12,782	45,854	113,066	213,294
2023	41,922	12,782	45,854	113,066	213,624
2024-2028	-	19,171	183,429	565,330	767,930
2029-2033	-	-	-	565,330	565,330
2034-2038	-	-	-	56,538	56,538
2039-2043	-	-	-	-	-
2044-2048	-	-	-	-	-
Total	\$ 206,462	\$ 83,081	\$ 412,699	\$ 1,752,528	\$ 2,454,770

No amortization schedule is available for OWDA #7435 and #7686 as the total loans were not fully disbursed as of December 31, 2018.

Note 10 – Contingent Liabilities

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

Note 11 – Subsequent Events

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

VILLAGE OF BRADFORD
MIAMI COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 12 – Restatement of Beginning Fund Balance

The Agency Fund balance was restated as of January 1, 2018 due to a prior period audit adjustment to increase fund balance \$551 that has been rolled forward since 2009. Audit evidence could not be obtained to continue to support rolling this adjustment forward.

	<u>Agency Fund</u>
Ending Fund Balance at December 31, 2017	\$ 1,201
Restatement	<u>(551)</u>
Restated Fund Balance January 1, 2018	<u><u>\$ 650</u></u>

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

May 20, 2021

Village of Bradford
Miami County
115 North Miami Street
Bradford, Ohio 45308

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of **Village of Bradford**, Miami County, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated May 20, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) 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 a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

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

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. 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 audit findings as items 2019-002 and 2019-003.

Purpose of this Report

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



Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

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

FINDING NUMBER 2019-001

Material Weakness

Financial Reporting

The Village is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting. Fund balances should be properly classified based on Governmental Accounting Standards Statement No. 54.

During 2019 and 2018, receipts, disbursements and fund balances were not always posted or classified correctly. The following errors were noted:

- Subsequent appropriations in the General Fund were classified as Unassigned instead of Assigned in 2019 and 2018;
- Special revenue fund balances were classified as Unassigned instead of Restricted in 2019 and 2018;
- Special Assessments were recorded as Miscellaneous instead of Special Assessments in the General Fund in 2019;
- Cable franchise fees were recorded as Miscellaneous instead of Fines, Licenses and Permits in the General Fund in 2018 and recorded as Charges for Service instead of Fines, Licenses, and Permits in the General Fund in 2019;
- CDBG grant was recorded as Miscellaneous instead of Intergovernmental in the Street Construction, Maintenance and Repair Fund, Water Fund, and Sewer Fund in 2019 and the Water Fund in 2018;
- OPWC on-behalf debt funds were not recorded as Debt Proceeds and Capital Outlay in the Water Fund in 2018;
- OPWC on-behalf debt funds were recorded as Miscellaneous instead of Debt Proceeds in the Water Fund in 2018;
- OPWC grants were recorded as Miscellaneous instead of Intergovernmental in the Street Construction, Maintenance and Repair Fund, Water Fund, and Sewer Fund in 2019 and 2018;
- OWDA on-behalf debt funds were not recorded as Debt Proceeds and Capital Outlay in the Water Fund in 2018;
- The interest portion of OWDA debt payments were posted as Principal Retirement instead of Interest and Other Fiscal Charges in the Water and Sewer Funds in 2019; and
- Fire Levy Fund disbursements were recorded as Transportation instead of Security of Persons and Property in 2019 and 2018.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring adjustments and reclassifications. The Village has made all adjustments to its accounting system. The financial statements reflect all adjustments and reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2019-001 (Continued)

Material Weakness (Continued)

We also recommend the Clerk/Treasurer refer to the Ohio Village Handbook for guidance to determine the proper posting of receipts and disbursements and refer to the Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

Officials' Response – We did not receive a response from the Village Officials to this finding.

FINDING NUMBER 2019-002

Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2019-002 (Continued)

Noncompliance (Continued)

The Village did not properly encumber any expenditures tested during 2019 or 2018 because the Village failed to complete purchase orders of any kind. The failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Clerk/Treasurer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

Officials' Response – We did not receive a response from the Village Officials to this finding.

FINDING NUMBER 2019-003

Noncompliance

Ohio Revised Code Section 149.43 states that all public records shall be promptly prepared and made available to any member of the general public at all reasonable times during regular business hours for inspection. Upon request, a person responsible for public records shall make copies available at cost, within a reasonable period of time. In order to facilitate broader access to public records, public offices shall maintain public records in such a manner that they can be made available for inspection. Every public office must have a policy in place for compliance with Public Records Laws.

Ohio Revised Code Section 149.43(E)(1) To ensure that all employees of public offices are appropriately educated about a public office's obligations under division (B) of this section, all elected officials or their appropriate designees shall attend training approved by the attorney general as provided in section [109.43](#) of the Revised Code. A future official may satisfy the requirements of this division by attending the training before taking office, provided that the future official may not send a designee in the future official's place.

Ohio Revised Code Section 149.43(E)(2) states, in part, that all public offices shall adopt a public records policy in compliance with this section for responding to public records requests. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under section 109.03 of the Revised Code. Except as otherwise provided in this section, the policy may not limit the number of public records that the public office will make available to a single person, may not limit the number of public records that it will make available during a fixed period of time, and may not establish a fixed period of time before it will respond to a request for inspection or copying of public records, unless that period is less than eight hours.

VILLAGE OF BRADFORD
MIAMI COUNTY

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

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

FINDING NUMBER 2019-003 (Continued)

Noncompliance (Continued)

Ohio Revised Code Section 149.43(E)(2) states that the public office shall distribute the public records policy adopted by the public office under division (E)(1) of this section to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy. The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site. A public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook.

Ohio Revised Code Section 149.43(B)(2) states, in part, that a public office have available a copy of its current records retention schedule at a location readily available to the public.

The Village did not have an approved public records policy or records retention schedule on file as required, nor was there any evidence that such policies have been adopted. Additionally, not all of the Village's elected officials completed the required public records training.

The Village should adopt a public records policy and post it in accordance with the above requirements and should also have a current records retention schedule readily available to the public. The Village may refer to the model public records policy on the Attorney General's website. Failure to do so could result in public records not being properly retained and provided timely to the public. The Village should also ensure all elected officials receive the required training in accordance with the above requirements.

Officials' Response – We did not receive a response from the Village Officials to this finding.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

Finding Number	Finding Summary	Status	Additional Information
2017-001	Financial Reporting	Not Corrected	Repeated as Finding 2019-001
2017-002	Ohio Revised Code Section 5705.41(D)(1) – Failure to properly encumber disbursements	Not Corrected	Repeated as Finding 2019-002

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BRADFORD

MIAMI 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 7/1/2021

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

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