



**VILLAGE OF BLANCHESTER
CLINTON COUNTY
Regular Audit
For the Years Ended December 31, 2018 and 2017**

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Village Council
Village of Blanchester
318 East Main Street
Blanchester, Ohio 45107

We have reviewed the *Independent Auditor's Report* of the Village of Blanchester, Clinton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2018. 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 Blanchester is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

October 16, 2019

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VILLAGE OF BLANCHESTER
CLINTON COUNTY

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INDEPENDENT AUDITOR'S REPORT

July 29, 2019

Village of Blanchester
Clinton County
318 East Main Street
Blanchester, Ohio 45107

To Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the **Village of Blanchester**, Clinton County, (the Village) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2018 and 2017, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Village of Blanchester, Clinton County as of December 31, 2018 and 2017, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2019, 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 BLANCHESTER
CLINTON 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>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Local Taxes	\$ 260,950	\$ 229,203	\$ -	\$ -	\$ 490,153
Intergovernmental	391,353	189,078	28,405	-	608,836
Special Assessments	928	-	44,682	-	45,610
Charges for Services	227	2,816	-	-	3,043
Fines, Licenses and Permits	50,864	750	-	-	51,614
Earnings on Investments	57,335	8,316	-	7,982	73,633
Miscellaneous	14,767	1,182	-	-	15,949
<i>Total Cash Receipts</i>	<u>776,424</u>	<u>431,345</u>	<u>73,087</u>	<u>7,982</u>	<u>1,288,838</u>
Cash Disbursements					
Current:					
Security of Persons and Property	583,011	2,546	-	-	585,557
Public Health Services	5,390	-	-	-	5,390
Leisure Time Activities	-	87,627	24,242	-	111,869
Community Environment	9,669	-	-	-	9,669
Transportation	-	215,308	4,285	-	219,593
General Government	139,395	4,103	-	-	143,498
Capital Outlay	-	-	455,648	-	455,648
Debt Service:					
Principal Retirement	-	9,000	-	-	9,000
<i>Total Cash Disbursements</i>	<u>737,465</u>	<u>318,584</u>	<u>484,175</u>	<u>-</u>	<u>1,540,224</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>38,959</u>	<u>112,761</u>	<u>(411,088)</u>	<u>7,982</u>	<u>(251,386)</u>
Other Financing Receipts (Disbursements)					
Proceeds of Debt	-	-	452,208	-	452,208
Transfers In	100,000	-	-	-	100,000
Transfers Out	-	-	(103,299)	-	(103,299)
Advances-In	76,667	10,000	26,667	-	113,334
Advances-Out	(76,667)	(10,000)	(26,667)	-	(113,334)
Other Financing Uses	(6,490)	-	-	-	(6,490)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>93,510</u>	<u>-</u>	<u>348,909</u>	<u>-</u>	<u>442,419</u>
<i>Net Change in Fund Cash Balances</i>	132,469	112,761	(62,179)	7,982	191,033
<i>Fund Cash Balances, January 1</i>	<u>309,935</u>	<u>504,973</u>	<u>270,596</u>	<u>195,836</u>	<u>1,281,340</u>
Fund Cash Balances, December 31					
Nonspendable	4,472	-	-	195,973	200,445
Restricted	-	617,734	208,417	7,845	833,996
Assigned	27,556	-	-	-	27,556
Unassigned	410,376	-	-	-	410,376
<i>Fund Cash Balances, December 31</i>	<u>\$ 442,404</u>	<u>\$ 617,734</u>	<u>\$ 208,417</u>	<u>\$ 203,818</u>	<u>\$ 1,472,373</u>

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

**VILLAGE OF BLANCHESTER
CLINTON COUNTY**

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

	Proprietary Fund Type		Totals
	Enterprise	Internal Service	Totals Only
Operating Cash Receipts			
Charges for Services	\$ 9,737,180	\$ -	\$ 9,737,180
Miscellaneous	9,997	526,171	536,168
<i>Total Operating Cash Receipts</i>	<u>9,747,177</u>	<u>526,171</u>	<u>10,273,348</u>
Operating Cash Disbursements			
Personal Services	1,031,940	-	1,031,940
Employee Fringe Benefits	538,463	-	538,463
Contractual Services	6,007,280	-	6,007,280
Supplies and Materials	504,719	-	504,719
Claims	-	553,028	553,028
Other	50,707	-	50,707
<i>Total Operating Cash Disbursements</i>	<u>8,133,109</u>	<u>553,028</u>	<u>8,686,137</u>
<i>Operating Income/(Loss)</i>	<u>1,614,068</u>	<u>(26,857)</u>	<u>1,587,211</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental	184,844	-	184,844
Earnings on Investments	4,679	-	4,679
Capital Outlay	(253,344)	-	(253,344)
Principal Retirement	(743,676)	-	(743,676)
Interest and Fiscal Charges	(168,613)	-	(168,613)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(976,110)</u>	<u>-</u>	<u>(976,110)</u>
<i>Income (Loss) Before Transfers</i>	<u>637,958</u>	<u>(26,857)</u>	<u>611,101</u>
Transfers In	429,523	-	429,523
Transfers Out	(426,224)	-	(426,224)
Advances In	40,000	-	40,000
Advances Out	(40,000)	-	(40,000)
<i>Net Change in Fund Cash Balances</i>	<u>641,257</u>	<u>(26,857)</u>	<u>614,400</u>
<i>Fund Cash Balances, January 1</i>	<u>4,151,236</u>	<u>95,560</u>	<u>4,246,796</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 4,792,493</u>	<u>\$ 68,703</u>	<u>\$ 4,861,196</u>

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

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of Blanchester, Clinton County, Ohio, (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric, trash, water and sewer utilities, park operations, and police services. The Village purchases electric power from IMPA for resale to consumers.

Public Entity Risk Pool

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

Jointly Governed Organization

The Village participates in the Blanchester Marion Joint Fire District to provide fire protection services to residents. Note 11 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 fund types which are organized on a fund type basis.

Fund Accounting

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

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

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

Street Construction, Maintenance and Repair Fund The street construction, maintenance and repair fund accounts for and reports the receipt of gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Permissive Tax Fund The permissive tax fund accounts for and reports the receipt of permissive motor vehicle tax for maintaining, and repairing Village streets.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 2 - Summary of Significant Accounting Policies - (Continued)

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

Water Treatment Plant Phase 3 Fund The water treatment plant phase 3 fund accounts for and reports the receipt of loan reimbursement monies restricted for the purpose of the Water Treatment Plant Phase 3 project.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

Curless Recreation Endowment Fund The Curless Recreation endowment fund accounts for and reports investment earnings on the nonexpendable corpus from a trust agreement restricted for the establishment, maintenance, and operation of recreational activities in 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 Fund:

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

Internal Service Fund This fund accounts for services provided by one department to other departments of the government unit. The Village had the following Internal Service Fund:

Self-funded Insurance Medical Fund The self-funded insurance medical fund receives insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

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 disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 2 - Summary of Significant Accounting Policies - (Continued)

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

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

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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 Council or a Village official delegated that authority by resolution, or by State Statute. Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget in the General Fund.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 2 - Summary of Significant Accounting Policies - (Continued)

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 disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Budgetary Activity

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,320,684	\$ 876,424	\$ (444,260)
Special Revenue	395,749	431,345	35,596
Capital Projects	68,667	525,295	456,628
Enterprise	10,151,863	10,366,223	214,360
Internal Service	618,700	526,171	(92,529)
Permanent	-	7,982	7,982
Total	<u>\$12,555,663</u>	<u>\$12,733,440</u>	<u>\$ 177,777</u>

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,346,202	\$ 827,550	\$ 518,652
Special Revenue	454,243	320,006	134,237
Capital Projects	597,466	587,523	9,943
Enterprise	11,068,198	9,743,192	1,325,006
Internal Service	599,417	553,028	46,389
Total	<u>\$14,065,526</u>	<u>\$12,031,299</u>	<u>\$ 2,034,227</u>

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 4 – Deposits and Investments

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

	2018
Demand deposits	\$ 2,173,693
Certificates of deposit	1,875,000
Total deposits	4,048,693
CDARS	2,284,876
Total investments	2,284,876
Total deposits and investments	\$ 6,333,569

Deposits

Deposits are insured by the Federal Depository Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the 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.

Investments

A financial institution's trust department holds the Village's equity securities in book entry form in the Village's name.

Note 5 – Taxes

Property Taxes

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

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

Note 6 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 6 - Risk Management – (Continued)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Until November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 764 members as of December 31, 2017.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2017 (latest information available).

<u>2017</u>	
Assets	\$14,853,620
<u>Liabilities</u>	<u>(9,561,108)</u>
Members' Equity	\$5,292,512

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

Self-Insurance

The Village is self-insured for employee health. The Self Insurance Fund pays covered claims to service providers and recovers these costs from charges to other funds.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Employees of the Village 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 Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 7 - Defined Benefit Pension Plans – (Continued)

Ohio Police and Fire Retirement System

The Village's certified fire fighters and full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.

Social Security

Those Village employees not contributing to OP&F or OPERS contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

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

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

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.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 9 – Debt

Debt outstanding at December 31, 2018 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC - CJ804 - Water Waste Treatment Plant Upgrade	\$ -	0.00%
OPWC - CJ16S - Center St. Main St. Reconstruction	166,500	0.00%
OPWC - CJ14M - Blanchester Downtown Water Main Replace PH 2	329,185	0.00%
OPWC - CJ10K - Wastewater System Improvements	549,440	0.00%
OPWC - CJ04P - Water Treatment Plant Improvements	1,292,798	0.00%
OPWC - CJ04N - Sanitary Sewer Phase II	961,921	0.00%
OPWC - CJ02O - Wastewater System Improvements Phase 3	1,300,000	0.00%
OPWC - CJ02L - Blanchester SR28 Water Main Replacement	97,907	0.00%
OWDA - 5047 - Equalization Basin and Pump Station	27,459	0.00%
OWDA - 5971 - Sewer System Improvement Phase 2	823,616	1.00%
OWDA - 6269 - WW System Improvement Phase 3	597,247	1.00%
OWDA - 6490 - WTP Improvements	4,378,718	2.00%
Sanitary Sewer Revenue Bonds	155,000	2.6 - 5.70%
Water System Improvement Bonds	815,000	3.25 - 4.90%
Total	<u>\$11,494,791</u>	

The Downtown Water Main-Phase 2 – Ohio Public Works Commission (OPWC) Loan #CJ14M was funded in 2012 and the financed amount was set at \$403,084 at 0% and is set to mature in 2043. The loan will be repaid in semiannual installments of \$6,718. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The State Route 28 Water Main Replacement – OPWC Loan #CJ20L was funded in 2012 and the financed amount was set at \$125,000 at 0% and is expected to mature in 2038. The loan is expected to be repaid in semiannual installments of \$2,083. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Wastewater System Improvement-Phase 3 – OPWC Loan #CJ02O was funded in 2014 and the financed amount was set at \$1,500,000 at 0% and is expected to mature in 2044. The loan is expected to be repaid in semiannual installments of \$25,000. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Wastewater System Improvement – OPWC Loan #CJ10K was funded in 2012 and the financed amount was set at \$701,413 at 0% and is expected to mature in 2044. The loan is expected to be repaid in semiannual installments of \$11,691. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Water Treatment Plant Improvements – Ohio Public Works Commission (OPWC) Loan #CJ04P was funded in 2014 and the financed amount was set at \$1,463,575 at 0% and is set to mature in 2045. The loan will be repaid in semiannual installments of \$24,393. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 9 – Debt – (Continued)

The Sanitary Sewer Phase II – OPWC Loan #CJ04N was funded in 2013 and the financed amount was set at \$1,154,305 at 0% and is expected to mature in 2043. The loan is expected to be repaid in semiannual installments of \$19,239. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Center Street & Main Street Reconstruction – OPWC Loan #CJ16S was funded in 2016 and the financed amount was set at \$180,000 at 0% and is expected to mature in 2037. The loan is expected to be repaid in semiannual installments of \$4,500. The loan will be repaid out of the Street Permissive Tax fund.

The Sewer System Improvement Phase 2 – OWDA Loan #5971 was initiated in 2011 and the financed amount was set at \$1,182,265 at 1% and matures in 2032. The loan is expected to be repaid in semiannual installments of \$32,686. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Wastewater System Improvement Phase 3 – OWDA Loan #6269 was funded in 2012 and the financed amount was set at \$1,402,263 at 1% and is expected to mature in 2034. The loan is expected to be repaid in semiannual installments of \$38,766. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. No amortization schedule is currently available.

The Equalization Basin (OWDA) Loan #5047 relates to an upgrade to the Blanchester Wastewater project. The OWDA loan was issued on September 23, 2009 at 0% in the amount of \$49,926 and matures July 1, 2029. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The WTP Improvement – OWDA Loan #6490 was funded in 2014 and the financed amount was set at \$4,938,121 at 2% and is expected to mature in 2044. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. No amortization schedule is currently available.

Series 2009 Refunding Bonds in the amount of \$1,315,000 were issued to refund the remaining Sanitary Sewer Revenue Bonds that were issued December 1, 1993. The bonds were originally for the acquisition and development of sewer system improvements. The revenue and income of the Village's utilities have been pledged to repay these debts. As required by the Sewer Revenue Bond covenant, the Village has established and funded the required debt service replacement and improvement fund and debt service reserve, included as enterprise funds.

Water System Improvement Revenue Bonds were issued September 1, 2005 in the amount of \$1,795,000 and mature August 1, 2025. These bonds are for the various improvements to the Municipal water system, including improvements to the water treatment plant and the distribution facilities. The revenue and income of the Village's utilities have been pledged to repay these debts. As required by the Water System Improvement Revenue Bond covenant, the Village has established and funded the required debt service reserve fund and debt service replacement and improvement fund, included as enterprise funds.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 9 – Debt – (Continued)

Amortization

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

Year ending December 31:	OPWC Loans	OWDA Loans	Sanitary Sewer Bonds	Water System Bond
2019	\$ 187,246	\$ 370,631	\$ 162,169	\$ 140,445
2020	187,246	370,631	-	140,645
2021	187,246	370,629	-	140,500
2022	187,246	370,632	-	140,000
2023	187,246	370,631	-	139,250
2024-2028	936,230	1,853,161	-	285,000
2029-2033	936,230	1,742,971	-	-
2034-2038	922,730	1,137,197	-	-
2039 - 2043	843,192	1,098,455	-	-
2044-2045	123,139	219,691	-	-
Total	<u>\$ 4,697,751</u>	<u>\$ 7,904,629</u>	<u>\$ 162,169</u>	<u>\$ 985,840</u>

Debt Service Trust Funds

The 2009 Sanitary Sewer Bond Refunding bond agreement required the Village to establish a debt service account to be maintained by a custodian bank. The Village has established this fund. The accompanying financial statements do not include these assets or the related receipts and disbursements.

The 2005 Water System Improvement trust agreement required the Village to establish a debt service account to be maintained by a custodian bank. The Village has established this fund. The accompanying financial statements do not include these assets or the related receipts and disbursements.

Note 10 – Contingent Liabilities

The Village may be defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village's financial condition.

Note 11 – Jointly Governed Organizations

The Village participates in the Blanchester Marion Joint Fire District. A two-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are the Village of Blanchester and Marion Township. The District provides fire protection and rescue services within District.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 12 – Transfers and Advances

During 2018, transfers were made from the General Fund to the Police Operating Fund, from Solid Waste Fund to General Fund (Approved by Ohio Department of Taxation) and Electric Operating Fund to Sewer Operating Fund to subsidize operations. Transfers were made from Water Operating Fund and Water Replacement and Improvement Fund to Water Bond Retirement Fund, from Sewer Operating Fund and Sewer Replacement and Improvement Fund to Sewer Bond Retirement Fund and several aging project funds to make debt service requirements. All transfers were made in accordance with the Ohio Revised Code or approved by the Ohio Department of Taxation.

During 2018, advances were made from the General Fund to the Park Levy Fund, Sewer Operating Fund, and Blanchester Playground Fund. These advances were all paid back to the General Fund by December 31, 2018. All advances were made in accordance with the Ohio Revised Code.

Note 13 – Subsequent Events

As part of the 2016-2015 financial statement audit, a finding for adjustment was made against the Water and Sewer Funds and in favor of the Electric Fund in the amount of \$189,880 and \$212,084 respectively. The Water and Sewer Funds do not have a fund balance large enough to repay the Electric Fund all at once. The Village Council passed resolution 2019-004 on February 14, 2019 setting up a plan for the Water and Sewer Funds to repay the Electric Fund. The following is the repayment schedule approved by Council.

	Water Fund	Sewer Fund	Total
2018	\$ 10,000	\$ 10,000	\$ 20,000
2019	10,000	10,000	20,000
2020	10,000	10,000	20,000
2021	10,000	10,000	20,000
2022	10,000	10,000	20,000
2023-2027	50,000	50,000	100,000
2028-2032	50,000	50,000	100,000
2033-2037	39,880	50,000	89,880
2038-2039	-	12,084	12,084
Total	\$ 189,880	\$ 212,084	\$ 401,964

The resolution approved a retroactive fund balance adjustment for 2018 fund balance in accordance with the aforementioned repayment schedule.

**VILLAGE OF BLANCHESTER
CLINTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 253,021	\$ 75,272	\$ -	\$ -	\$ 328,293
Intergovernmental	362,249	163,707	233,570	-	759,526
Special Assessments	767	-	44,121	-	44,888
Charges for Services	895	-	-	-	895
Fines, Licenses and Permits	42,445	226	-	-	42,671
Earnings on Investments	34,583	15,676	-	3,407	53,666
Miscellaneous	29,018	4,009	9,209	-	42,236
<i>Total Cash Receipts</i>	<u>722,978</u>	<u>258,890</u>	<u>286,900</u>	<u>3,407</u>	<u>1,272,175</u>
Cash Disbursements					
Current:					
Security of Persons and Property	570,998	795	-	-	571,793
Public Health Services	5,424	-	-	-	5,424
Leisure Time Activities	30,275	850	12,652	-	43,777
Community Environment	16,208	-	-	-	16,208
Transportation	-	189,802	11,130	-	200,932
General Government	153,265	-	-	-	153,265
Capital Outlay	-	-	286,619	-	286,619
Debt Service:					
Principal Retirement	-	4,500	-	-	4,500
<i>Total Cash Disbursements</i>	<u>776,170</u>	<u>195,947</u>	<u>310,401</u>	<u>-</u>	<u>1,282,518</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(53,192)</u>	<u>62,943</u>	<u>(23,501)</u>	<u>3,407</u>	<u>(10,343)</u>
Other Financing Receipts (Disbursements)					
Debt Proceeds	-	18,668	-	-	18,668
Sale of Fixed Assets	-	33,735	-	-	33,735
Transfers In	-	-	17,000	-	17,000
Transfers Out	(17,000)	-	-	-	(17,000)
Advances In	170,000	-	40,000	-	210,000
Advances Out	(170,000)	-	(40,000)	-	(210,000)
Other Financing Uses	(6,746)	-	(5)	-	(6,751)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(23,746)</u>	<u>52,403</u>	<u>16,995</u>	<u>-</u>	<u>45,652</u>
<i>Net Change in Fund Cash Balances</i>	<u>(76,938)</u>	<u>115,346</u>	<u>(6,506)</u>	<u>3,407</u>	<u>35,309</u>
<i>Fund Cash Balances, January 1</i>	<u>386,873</u>	<u>389,627</u>	<u>277,102</u>	<u>192,429</u>	<u>1,246,031</u>
Fund Cash Balances, December 31					
Nonspendable	4,472	-	-	193,358	197,830
Restricted	-	504,973	270,596	2,478	778,047
Assigned	193,752	-	-	-	193,752
Unassigned	111,711	-	-	-	111,711
<i>Fund Cash Balances, December 31</i>	<u>\$ 309,935</u>	<u>\$ 504,973</u>	<u>\$ 270,596</u>	<u>\$ 195,836</u>	<u>\$ 1,281,340</u>

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

**VILLAGE OF BLANCHESTER
CLINTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Proprietary Fund Type		Totals
	Enterprise	Internal Service	Totals (Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 9,261,258	\$ -	\$ 9,261,258
Miscellaneous	118,686	568,028	686,714
<i>Total Operating Cash Receipts</i>	<u>9,379,944</u>	<u>\$ 568,028</u>	<u>\$ 9,947,972</u>
Operating Cash Disbursements			
Personal Services	1,016,816	-	1,016,816
Employee Fringe Benefits	525,897	-	525,897
Contractual Services	6,024,383	-	6,024,383
Supplies and Materials	473,350	-	473,350
Claims	-	563,268	563,268
Other	46,861	-	46,861
<i>Total Operating Cash Disbursements</i>	<u>8,087,307</u>	<u>563,268</u>	<u>8,650,575</u>
<i>Operating Income</i>	<u>1,292,637</u>	<u>4,760</u>	<u>1,297,397</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental	6,557	-	6,557
Earnings on Investments	2,145	-	2,145
Capital Outlay	(440,244)	-	(440,244)
Principal Retirement	(731,948)	-	(731,948)
Interest and Fiscal Charges	(189,394)	-	(189,394)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(1,352,884)</u>	<u>-</u>	<u>(1,352,884)</u>
Income/(Loss) Before Transfers	<u>(60,247)</u>	<u>4,760</u>	<u>(55,487)</u>
Transfers In	1,004,717	-	1,004,717
Transfers Out	(1,004,717)	-	(1,004,717)
Advances In	130,000	-	130,000
Advances Out	(130,000)	-	(130,000)
<i>Net Change in Fund Cash Balances</i>	<u>(60,247)</u>	<u>4,760</u>	<u>(55,487)</u>
<i>Fund Cash Balances, January 1</i>	<u>4,211,483</u>	<u>90,800</u>	<u>4,302,283</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 4,151,236</u></u>	<u><u>\$ 95,560</u></u>	<u><u>\$ 4,246,796</u></u>

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

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity

The Village of Blanchester, Clinton County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric, trash, water and sewer utilities, park operations, and police services. The Village purchases electric power from IMPA for resale to consumers.

Public Entity Risk Pool

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM)), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

Jointly Governed Organization

The Village participates in the Blanchester Marion Joint Fire District to provide fire protection services to residents. Note 11 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 fund types which are organized on a fund type basis.

Fund Accounting

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

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

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted 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 the receipt of gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 2 - Summary of Significant Accounting Policies - (Continued)

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

Center Main Project Fund The Center Main Project Fund accounts for and reports the receipt of grants monies restricted for the purpose of the Center Main Project.

Broadway Project Fund The Broadway Project Fund accounts for and reports the receipt of grant monies restricted for the purpose of the Broadway Project.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

Curless Recreation Endowment Fund The Curless Recreation endowment fund accounts for and reports investment earnings on the nonexpendable corpus from a trust agreement restricted for the establishment, maintenance, and operation of recreational activities in 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 Fund:

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

Internal Service Fund This fund accounts for services provided by one department to other departments of the government unit. The Village had the following Internal Service Fund:

Self-funded Insurance Medical Fund The Self-Funded Insurance Medical Fund receives insurance premium payments from other funds to pay medical claims of employees enrolled in the health insurance plan.

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 Village 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 disbursements when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 2 - Summary of Significant Accounting Policies - (Continued)

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

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

A summary of 2017 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

Committed Council can *commit* amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless Council amends the ordinance or 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 Council or a Village official delegated that authority by resolution, or by State Statute. Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget in the General Fund.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 2 - Summary of Significant Accounting Policies - (Continued)

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 disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 716,859	\$ 722,978	\$ 6,119
Special Revenue	301,980	311,293	9,313
Capital Projects	407,202	303,900	(103,302)
Enterprise	10,301,633	10,393,363	91,730
Internal Service	568,027	568,028	1
Permanent	-	3,407	3,407
Total	\$12,295,701	\$12,302,969	\$ 7,268

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 996,115	\$ 976,129	\$ 19,986
Special Revenue	233,025	197,058	35,967
Capital Projects	1,753,785	310,412	1,443,373
Enterprise	12,287,607	10,475,677	1,811,930
Internal Service	579,527	563,268	16,259
Total	\$15,850,059	\$12,522,544	\$ 3,327,515

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 4 – Deposits and Investments

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

	<u>2017</u>
Demand deposits	\$ 1,358,211
Certificates of deposit	<u>1,875,000</u>
Total deposits	<u>3,233,211</u>
CDARS	<u>2,294,925</u>
Total investments	<u>2,294,925</u>
Total deposits and investments	<u><u>\$ 5,528,136</u></u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the 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.

Investments

A financial institution's trust department holds the Village's equity securities in book entry form in the Village's name.

Note 5 – Taxes

Property Taxes

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

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

Note 6 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 6 - Risk Management – (Continued)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 764 members as of December 31, 2017.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2017.

Assets	\$14,853,620
Liabilities	<u>(9,561,108)</u>
Members' Equity	<u>\$ 5,292,512</u>

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

Self-Insurance

The Village is self-insured for employee health. The Self Insurance Fund pays covered claims to service providers and recovers these costs from charges to other funds.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Employees of the Village 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, 2017.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 7 - Defined Benefit Pension Plans (Continued)

Ohio Public Employees Retirement System (Continued)

Ohio Police and Fire Pension Fund

The Village's certified fire fighters and full-time police officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2017.

Social Security

Those Village employees not contributing to OP&F or OPERS contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 % of their gross salaries. The Village contributed an amount equal to 6.2 % of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 1% during calendar year 2017, and OP&F contributed 0.5% to fund these benefits.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 9 – Debt

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC - CJ804 - Water Waste Treatment Plant Upgrade	\$ 74,185	0.00%
OPWC - CJ16S - Center St. Main St. Reconstruction	175,500	0.00%
OPWC - CJ14M - Blanchester Downtown Water Main Replace PH 2	342,621	0.00%
OPWC - CJ10K - Wastewater System Improvements	572,821	0.00%
OPWC - CJ04P - Water Treatment Plant Improvements	1,341,583	0.00%
OPWC - CJ04N - Sanitary Sewer Phase II	1,000,398	0.00%
OPWC - CJ02O - Wastewater System Improvements Phase 3	1,350,000	0.00%
OPWC - CJ02L - Blanchester SR28 Water Main Replacement	102,073	0.00%
OWDA - 5047 - Equalization Basin and Pump Station	29,955	0.00%
OWDA - 5971 - Sewer System Improvement Phase 2	872,580	1.00%
OWDA - 6269 - WW System Improvement Phase 3	663,178	1.00%
OWDA - 6490 - WTP Improvements	4,060,365	2.00%
Sanitary Sewer Revenue Bonds	300,000	2.6 - 5.70%
Water System Improvement Bonds	910,000	3.25 - 4.90%
Total	<u>\$11,795,259</u>	

The 2016 audited ending loan balance was reported as \$12,362,593 and it should have been \$12,513,039 for a difference of \$150,446. The difference was made up of OWDA Loan #5920, OWDA #7229, and OPWC #CJ165.

The Wastewater Treatment Plant - Ohio Public Works Commission OPWC Loan #CJ804 for the Blanchester WWTP was issued on July 1, 1998 in the amount of \$1,483,700 and matures July 1, 2018. The loan will be repaid in semiannual installments of \$37,092. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Downtown Water Main-Phase 2 – Ohio Public Works Commission OPWC Loan #CJ14M was funded in 2012 and the financed amount was set at \$403,084 at 0% and is set to mature in 2043. The loan will be repaid in semiannual installments of \$6,718. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The State Route 28 Water Main Replacement – OPWC Loan #CJ02L was funded in 2012 and the financed amount was set at \$125,000 at 0% and is expected to mature in 2038. The loan is expected to be repaid in semiannual installments of \$2,083. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Wastewater System Improvement-Phase 3 – OPWC Loan #CJ02O was funded in 2014 and the financed amount was set at \$1,500,000 at 0% and is expected to mature in 2044. The loan is expected to be repaid in semiannual installments of \$25,000. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Wastewater System Improvement– OPWC Loan #CJ10K was funded in 2012 and the financed amount was set at \$701,413 at 0% and is expected to mature in 2044. The loan is expected to be repaid in semiannual installments of \$11,691. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 9 – Debt - (Continued)

Water Treatment Plant Improvements – Ohio Public Works Commission (OPWC) Loan #CJ04P was funded in 2014 and the financed amount was set at \$1,463,575 at 0% and is set to mature in 2045. The loan will be repaid in semiannual installments of \$24,393. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Sanitary Sewer Phase II– OPWC Loan #CJ04N was funded in 2013 and the financed amount was set at \$1,154,305 at 0% and is expected to mature in 2043. The loan is expected to be repaid in semiannual installments of \$19,239. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Center Street & Main Street Reconstruction – OPWC Loan #CJ16S was funded in 2016 and the financed amount was set at \$180,000 at 0% and is expected to mature in 2037. The loan is expected to be repaid in semiannual installments of \$4,500. The loan will repaid out of the Street Permissive Tax fund.

The Sewer System Improvement Phase 2 – OWDA Loan #5971 was initiated in 2011 and the financed amount was set at \$1,182,265 at 1% and matures in 2032. The loan is expected to be repaid in semiannual installments of \$32,686. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. No amortization schedule available as of December 31, 2017.

The Wastewater System Improvement-Phase 3 – OWDA Loan #6269 was funded in 2012 and the financed amount was set at \$1,402,263 at 1% and is expected to mature in 2034. The loan is expected to be repaid in semiannual installments of \$38,766. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. No amortization schedule available as of December 31, 2017.

The Equalization Basin (OWDA) Loan #5047 relates to an upgrade to the Blanchester Wastewater project. The OWDA loan was issued on September 23, 2009 at 0% in the amount of \$49,926 and matures July 1, 2029. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The WTP Improvement – OWDA Loan #6490 was funded in 2014 and the financed amount was set at \$4,938,121 at 2% and is expected to mature in 2044. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. No amortization schedule available as of December 31, 2017.

Series 2009 Refunding Bonds in the amount of \$1,315,000 were issued to refund the remaining Sanitary Sewer Revenue Bonds that were issued December 1, 1993. The bonds were originally for the acquisition and development of sewer system improvements. The revenue and income of the Village's utilities have been pledged to repay these debts. As required by the Sewer Revenue Bond covenant, the Village has established and funded the required debt service replacement and improvement fund and debt service reserve, included as enterprise funds.

Water System Improvement Revenue Bonds were issued September 1, 2005 in the amount of \$1,795,000 and mature August 1, 2025. These bonds are for the various improvements to the Municipal water system; including, improvements to the water treatment plant and the distribution facilities. The revenue and income of the Village's utilities have been pledged to repay these debts. As required by the Water System Improvement Revenue Bond covenant, the Village has established and funded the required debt service reserve fund and debt service replacement and improvement fund, included as enterprise funds.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 9 – Debt - (Continued)

Amortization

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

Year ending December 31:	OPWC Loans	OWDA Loans	Sanitary Sewer Bonds	Water System Bond
2018	\$ 261,431	\$ 370,631	\$ 158,875	\$ 139,910
2019	187,246	370,631	162,169	140,445
2020	187,246	370,631	-	140,645
2021	187,246	370,629	-	140,500
2022	187,246	370,632	-	140,000
2023-2027	936,230	1,853,160	-	424,250
2028-2032	936,230	1,816,066	-	-
2033-2037	931,730	1,214,679	-	-
2038-2042	877,457	1,098,455	-	-
2043-2045	267,119	439,382	-	-
Total	<u>\$ 4,959,181</u>	<u>\$ 8,274,896</u>	<u>\$ 321,044</u>	<u>\$1,125,750</u>

Debt Service Trust Funds

The 2009 Sanitary Sewer Bond Refunding bond agreement required the Village to establish a debt service account to be maintained by a custodian bank. The Village has established this fund. The accompanying financial statements do not include these assets or the related receipts and disbursements.

The 2005 Water System Improvement trust agreement required the Village to establish a debt service account to be maintained by a custodian bank. The Village has established this fund. The accompanying financial statements do not include these assets or the related receipts and disbursements.

Note 10 – Contingent Liabilities

The Village may be defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village's financial condition.

Note 11 – Jointly Governed Organization

The Village participates in the Blanchester Marion Joint Fire District. A two-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are the Village of Blanchester and Marion Township. The District provides fire protection and rescue services within District. Financial information can be obtained by contacting Blanchester Marion Township Joint Fire District, 447 East Fancy Street PO Box 139 Blanchester, Ohio 45107.

Village of Blanchester
Clinton County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 12 – Transfers and Advances

During 2017, transfers were made from the General Fund to the Broadway Project Fund, from Electric Operating Fund to Water Operating and Sewer Operating Funds to subsidize operations. Transfers were made from Water Operating to Treatment Plant Retirement fund, from Sewer Operating Fund to Water Tower Retirement Fund to make debt service requirements. All transfers were made in accordance with the Ohio Revised Code.

During 2017, advances were made from the General Fund to the Sewer Operating Fund, and Blanchester Playground Fund. These advances were all paid back to the General Fund by December 31, 2017. All advances were made in accordance with the Ohio Revised Code.



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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**

July 29, 2019

Village of Blanchester
Clinton County
318 East Main Street
Blanchester, Ohio 45107

To Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the **Village of Blanchester**, Clinton County, (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated July 29, 2019, 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.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. We consider finding 2018-001 described in the accompanying schedule of audit findings to be a material weakness.

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Internal Control Over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2018-002 described in the accompanying schedule of audit findings to be a significant deficiency.

Compliance and Other Matters

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

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

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.
Marietta, Ohio

VILLAGE OF BLANCHESTER
CLINTON COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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

FINDING NUMBER 2018-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of management and is essential to ensure the information provided to the readers of the financial statements accurately reflects the Village's activity. The Village should have procedures in place to prevent or detect material misstatements for the accurate presentation of the Village's financial statements. The Fiscal Officer did not always accurately post receipts, disbursements and fund balance classifications to the Village's accounting system.

The Village is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting. Fund balances should be classified based on Governmental Accounting Standards Board Statement No. 54 – "Fund Balance Reporting and Governmental Fund Type Definitions."

During 2018 and 2017, receipts, disbursements and fund balances were not always posted or classified correctly. The following errors were noted:

- The Police Operating Fund activity was incorrectly reported as a Special Revenue Fund instead of in the General Fund in 2018;
- Proprietary Debt Service Fund activity was recorded in the Governmental Debt Service Fund in 2018 and 2017;
- Revenue was posted to the Street Construction, Maintenance, and Repair Fund that should have been posted to the State Highway Fund in 2018;
- Intergovernmental Revenue in the Enterprise Fund was classified as Other Financing Sources instead of Intergovernmental Revenue in 2018;
- The Curless Recreation Permanent Fund activity was not included in the Village's accounting system or Hinkle Filings for 2018 or 2017;
- Loan proceeds in the Capital Projects Fund were classified as Intergovernmental Revenue in 2018;
- Fund balance classifications in General Fund, Special Revenue, and Capital Projects Funds were improperly classified on the financial statements in 2018 and 2017;

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring reclassification entries. The financial statements reflect all reclassifications and adjustments.

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

We also recommend the Fiscal Officer refer to the Ohio Village Handbook and Auditor of State guidance to determine the proper establishment of receipt and disbursement accounts and proper posting. The Fiscal Officer should refer to Auditor of State Bulletin 2011-004 for assistance in properly classifying fund balances.

Officials' Response – The Fiscal Office will continue to seek additional training regarding proper classification for noted funds to improve the Village's annual financial statement filing process.

VILLAGE OF BLANCHESTER
CLINTON COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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

FINDING NUMBER 2018-002

Significant Deficiency

Bank to Book Reconciliations

A proper system of controls ensures that all bank and petty cash accounts are reconciled to the fund balance and financial statements.

We identified the following conditions:

- The unidentified remaining balance of the payroll fund in the Village's payroll account reconciliation at December 31, 2018 was \$8,880, and at December 31, 2017 was \$9,074 which should reconcile to payroll withholdings held by the Village and not yet remitted.
- The petty cash accounts, totaling \$1,100, were not included in the Villages fund balance.
- The debt service trust funds for the 2009 Sanitary Sewer Bond Refunding and 2005 Water System Improvement Bonds had balances of \$54,513 and \$51,906 in 2018 and 2017, respectively.

The payroll checking account balance should agree to unremitted withholdings and outstanding checks. Failure to include the payroll account as part of the reconciliation resulted in the accumulation of funds in the Village payroll account.

Failure to include all the necessary financial information on the Financial Statements misleads the users of the statements.

Officials' Response – Within the 2015-16 Audit, state auditors advised consultation with the Village's attorney to "establish the basis for moving the [payroll account] balance to either Unclaimed Funds or to the General Fund." The Fiscal Office intends to complete this advised process preceding the 2019-20 audit. There are no unremitted withholdings and/or outstanding checks for the payroll account at this time, and the account balance has remained constant for greater than a year's duration.

The Fiscal Office has examined the petty cash process in detail and confirms all replenishments are included in the respective replenishing fund balances. Petty cash replenishing warrants are also included in the bank account statements monthly as cleared checks which are reconciled accordingly to the corresponding warrant found in the UAN financial software system.

The Fiscal Office plans to add said bond accounts to the Village's complete monthly reconciliation as advised.

Auditor's Response – There is no question as to the Village's reconciliation process of the petty cash account and the proper recording of expenditures as the money is replenished. However, the original \$1,100 of the petty cash fund is not included in the Village's monthly bank to book reconciliation and is not included in the Village's fund balances.

**VILLAGE OF BLANCHESTER
CLINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001	No Service Organization Report on Controls Report (SOC1)	Fully Corrected	N/A
2016-002	Finding for Recovery for personal credit card Expenditures made on the Village credit card	Fully Corrected	N/A
2016-003	Violations of the Board of Public Affairs Credit Card Policy	Fully Corrected	N/A
2016-004	Mispostings to the Village accounting system.	Not Corrected	Reissued as Finding 2018-001.
2016-005	Disbursement Allocations	Fully Corrected	N/A
2016-006	Bank to book reconciliations not including all bank accounts and petty cash funds.	Not Corrected	Reissued as Finding 2018-002

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BLANCHESTER

CLINTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 7, 2019**