



**Auditor of State  
Betty Montgomery**



**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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**Auditor of State  
Betty Montgomery**

## **INDEPENDENT ACCOUNTANTS' REPORT**

Village of Bloomdale  
Wood County  
102 Maple Street, P.O. Box 186  
Bloomdale, Ohio 44817-0186

To the Village Council:

We have audited the accompanying financial statements of the Village of Bloomdale, Wood County, (the Village) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

November 10, 2004

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$ 24,482			\$ 24,482
Municipal Income Taxes	83,766			83,766
Intergovernmental Receipts	31,683	\$ 29,793		61,476
Charges for Services	30,275			30,275
Fines, Licenses, and Permits	2,206			2,206
Earnings on Investments	3,844	191		4,035
Miscellaneous	10,679			10,679
<b>Total Cash Receipts</b>	<b>186,935</b>	<b>29,984</b>		<b>216,919</b>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	84,612			84,612
Public Health Services	416			416
Leisure Time Activities	52,658			52,658
Transportation		25,894		25,894
General Government	77,732			77,732
Capital Outlay			29,852	29,852
<b>Total Cash Disbursements</b>	<b>215,418</b>	<b>25,894</b>	<b>29,852</b>	<b>271,164</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(28,483)</b>	<b>4,090</b>	<b>(29,852)</b>	<b>(54,245)</b>
<b>Other Financing Receipts and (Disbursements):</b>				
Sale of Bonds or Notes	40,000			40,000
Transfers-In			37,843	37,843
Transfers-Out	(37,843)			(37,843)
Other Financing Receipts	76			76
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>2,233</b>		<b>37,843</b>	<b>40,076</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(26,250)	4,090	7,991	(14,169)
Fund Cash Balances, January 1	111,403	63,513	29,905	204,821
<b>Fund Cash Balances, December 31</b>	<b>\$ 85,153</b>	<b>\$ 67,603</b>	<b>\$ 37,896</b>	<b>\$ 190,652</b>
Reserves for Encumbrances, December 31	\$ 7,705	\$ 340		\$ 8,045

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 605,981	\$ 28,336	\$ 634,317
Miscellaneous	367		367
Total Operating Cash Receipts	<u>606,348</u>	<u>28,336</u>	<u>634,684</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	137,343		137,343
Contractual Services	274,801	28,320	303,121
Supplies and Materials	43,280		43,280
Capital Outlay	190,205		190,205
Total Operating Cash Disbursements	<u>645,629</u>	<u>28,320</u>	<u>673,949</u>
Operating Income/(Loss)	<u>(39,281)</u>	<u>16</u>	<u>(39,265)</u>
<b>Non-Operating Cash Receipts:</b>			
Intergovernmental Receipts	91,853		91,853
Proceeds from Notes and Bonds	30,508		30,508
Other Non-Operating Receipts	3,417	899	4,316
Total Non-Operating Cash Receipts	<u>125,778</u>	<u>899</u>	<u>126,677</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	97,674		97,674
Other Non-Operating Cash Disbursements	4,008	404	4,412
Total Non-Operating Cash Disbursements	<u>101,682</u>	<u>404</u>	<u>102,086</u>
Net Receipts Over/(Under) Disbursements	<u>(15,185)</u>	<u>511</u>	<u>(14,674)</u>
Fund Cash Balances, January 1	<u>157,819</u>	<u>19,408</u>	<u>177,227</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 142,634</u></b>	<b><u>\$ 19,919</u></b>	<b><u>\$ 162,553</u></b>
Reserve for Encumbrances, December 31	<u>\$ 20,658</u>	<u>\$ 1,726</u>	<u>\$ 22,384</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$ 22,760			\$ 22,760
State Shared Taxes and Permits	77,765			77,765
Intergovernmental Receipts	60,907	\$ 28,795		89,702
Charges for Services	29,419			29,419
Fines, Licenses, and Permits	763			763
Earnings on Investments	4,835	288		5,123
Miscellaneous	4,304		\$ 4,730	9,034
<b>Total Cash Receipts</b>	<b>200,753</b>	<b>29,083</b>	<b>4,730</b>	<b>234,566</b>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	46,471			46,471
Public Health Services	2,648			2,648
Leisure Time Activities	11,911			11,911
Transportation		18,102		18,102
General Government	83,299			83,299
Capital Outlay		16,345	11,000	27,345
<b>Total Cash Disbursements</b>	<b>144,329</b>	<b>34,447</b>	<b>11,000</b>	<b>189,776</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>56,424</b>	<b>(5,364)</b>	<b>(6,270)</b>	<b>44,790</b>
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In			35,163	35,163
Transfers-Out	(35,163)			(35,163)
Other Financing Receipts	285			285
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(34,878)</b>		<b>35,163</b>	<b>285</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>21,546</b>	<b>(5,364)</b>	<b>28,893</b>	<b>45,075</b>
<b>Fund Cash Balances, January 1</b>	<b>89,857</b>	<b>68,877</b>	<b>1,012</b>	<b>159,746</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 111,403</b>	<b>\$ 63,513</b>	<b>\$ 29,905</b>	<b>\$ 204,821</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$ 813</b>	<b>\$ 426</b>		<b>\$ 1,239</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 564,454	\$ 30,215	\$ 594,669
Miscellaneous	646	28	674
Total Operating Cash Receipts	<u>565,100</u>	<u>30,243</u>	<u>595,343</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	141,694		141,694
Contractual Services	319,688	26,495	346,183
Supplies and Materials	39,881		39,881
Capital Outlay	85,319		85,319
Total Operating Cash Disbursements	<u>586,582</u>	<u>26,495</u>	<u>613,077</u>
Operating Income/(Loss)	<u>(21,482)</u>	<u>3,748</u>	<u>(17,734)</u>
<b>Non-Operating Cash Receipts:</b>			
Intergovernmental Receipts	55,050		55,050
Proceeds from Notes and Bonds	10,807		10,807
Other Non-Operating Receipts	1,263	260	1,523
Total Non-Operating Cash Receipts	<u>67,120</u>	<u>260</u>	<u>67,380</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	99,744		99,744
Other Non-Operating Cash Disbursements	1,697	332	2,029
Total Non-Operating Cash Disbursements	<u>101,441</u>	<u>332</u>	<u>101,773</u>
Net Receipts Over/(Under) Disbursements	<u>(55,803)</u>	<u>3,676</u>	<u>(52,127)</u>
Fund Cash Balances, January 1	<u>213,622</u>	<u>15,732</u>	<u>229,354</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 157,819</u></b>	<b><u>\$ 19,408</u></b>	<b><u>\$ 177,227</u></b>
Reserve for Encumbrances, December 31	<u>\$ 24,689</u>		<u>\$ 24,689</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Bloomdale, Wood County (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water, sewer and electric utilities, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance, and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

Capital Improvement Fund - This fund receives one half of the proceeds of a 1 percent municipal income tax. The proceeds are used for capital improvements.

**4. Enterprise Funds**

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

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Electric Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

**5. Fiduciary Funds (Agency Funds)**

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Refuse Fund – This fund accounts for contracted collections and remittances to a refuse collector.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. 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 also approve estimated resources.

**3. Encumbrances**

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

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

**F. Property, Plant, and Equipment**

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

**G. Accumulated Leave**

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

**2. EQUITY IN POOLED CASH**

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

	<u>2003</u>	<u>2002</u>
Demand deposits	\$ 136,274	\$ 185,236
Certificates of deposit	<u>216,931</u>	<u>196,812</u>
Total deposits	<u><u>\$ 353,205</u></u>	<u><u>\$ 382,048</u></u>

Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 180,492	\$ 227,011	\$ 46,519
Special Revenue	29,800	29,984	184
Capital Projects	36,000	37,843	1,843
Enterprise	808,447	732,126	(76,321)
Fiduciary	34,000	29,235	(4,765)
Total	<u>\$ 1,088,739</u>	<u>\$ 1,056,199</u>	<u>\$ (32,540)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 291,893	\$ 260,966	\$ 30,927
Special Revenue	93,313	26,234	67,079
Capital Projects	65,905	29,852	36,053
Enterprise	876,919	767,969	108,950
Fiduciary	53,408	30,450	22,958
Total	<u>\$ 1,381,438</u>	<u>\$ 1,115,471</u>	<u>\$ 265,967</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 205,456	\$ 201,038	\$ (4,418)
Special Revenue	27,500	29,083	1,583
Capital Projects	45,000	39,893	(5,107)
Enterprise	580,241	632,220	51,979
Fiduciary	31,000	30,503	(497)
Total	<u>\$ 889,197</u>	<u>\$ 932,737</u>	<u>\$ 43,540</u>

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 297,085	\$ 180,305	\$ 116,780
Special Revenue	96,376	34,873	61,503
Capital Projects	46,012	11,000	35,012
Enterprise	787,062	712,712	74,350
Fiduciary	46,732	26,827	19,905
Total	\$ 1,273,267	\$ 965,717	\$ 307,550

**4. PROPERTY TAX**

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. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**5. LOCAL INCOME TAX**

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

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



**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

**6. DEBT**

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 469,508	7.84%
Ohio Water Development Authority Loan	41,715	5.65%
Ohio Public Works Commission	145,284	3.00%
Promissory Note	40,000	3.90%
Total	\$ 696,507	

The Ohio Water Development Authority (OWDA) loan for 7.84 percent was for sewer plant construction. The OWDA approved an interest rate subsidy program on May 29, 2003 to benefit local governments with outstanding OWDA loans that bear an interest rate higher than 7 percent. The loan will be effectively reduced from 7.84 percent to 7 percent, with the portion above 7 percent being paid by the OWDA. The Village will realize a savings of \$20,258 over the remaining life of the loan.

The OWDA approved a new \$100,000 loan on February 28, 2002 that will mature on July 1, 2007 that is to be used for water improvements. The Village has drawn \$41,715 against the loan as of December 31, 2003. No payments are due until the work is completed and final draws on the loan are made, therefore this loan is not included in the amortization schedule shown below.

The Ohio Public Works Commission Loan (OPWC) was for waterlines and water tower replacement.

In January 2003 the Village took out a Promissory Note for \$40,000 to purchase a fire truck. The Village will repay the principal in two equal annual installments. Interest on the note will be paid with the second payment.

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

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

Year ending December 31:	OWDA Loan	OPWC Loan	Promissory Note
2004	\$ 81,294	\$ 14,506	\$ 20,000
2005	81,701	14,506	22,375
2006	82,139	14,507	
2007	82,612	14,506	
2008	83,123	14,506	
2009 – 2013	210,226	72,532	
2014 – 2015		29,013	
Total	\$ 621,095	\$ 174,076	\$ 42,375

**7. RETIREMENT SYSTEMS**

The Village’s officials and full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, members of OPERS contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2003.

**8. RISK MANAGEMENT**

The Village carries health insurance on full-time employees through Medical Mutual of Ohio.

**Risk Pool Membership**

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

Casualty Coverage

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss with an annual aggregate of \$1,250,000 for 2002. There is no aggregate for 2003 and future accident years. Beginning in 2003, PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective Government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

Casualty Coverage	2003	2002
Assets	\$ 25,288,098	\$ 20,174,977
Liabilities	(12,872,985)	(8,550,749)
Retained Earnings	\$ 12,415,113	\$ 11,624,228

Property Coverage	2003	2002
Assets	\$ 3,158,813	\$ 2,565,408
Liabilities	(792,061)	(655,318)
Retained Earnings	\$ 2,366,752	\$ 1,910,090



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Village of Bloomdale  
Wood County  
102 Maple Street, P.O. Box 186  
Bloomdale, Ohio 44817-0186

To the Village Council:

We have audited the accompanying financial statements of the Village of Bloomdale, Wood County, (the Village) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated November 10, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the Village's management in a separate letter dated November 10, 2004.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the

financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the Village's management in a separate letter dated November 10, 2004.

This report is intended for the information and use of the audit committee, management, and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

November 10, 2004

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-30187-001	Revised Code § 5705.41 (B), expenditures in excess of appropriations.	No	Partially corrected. Reported in the management letter.







**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**VILLAGE OF BLOOMDALE  
WOOD 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  
DECEMBER 16, 2004**