

**VILLAGE OF BLOOMDALE**  
**WOOD COUNTY**  
**REPORT ON FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**





# Dave Yost • Auditor of State

Village Council  
Village of Bloomdale  
206 Vine Street  
Bloomdale, Ohio 44817

We have reviewed the *Independent Auditors' Report* of the Village of Bloomdale, Wood County, prepared by Holbrook & Manter, for the audit period January 1, 2012 through December 31, 2013. 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 Bloomdale is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

March 10, 2015

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**TABLE OF CONTENTS**

|  | <b>PAGE</b> |
|--|-------------|
| Independent Auditors' Report.....  | 3-4         |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes<br>in Fund Cash Balances - All Governmental Fund Types -<br>For the Year Ended December 31, 2013 .....              | 5           |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes<br>in Fund Cash Balances - All Proprietary and Fiduciary Fund Types -<br>For the Year Ended December 31, 2013 ..... | 6           |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes<br>in Fund Cash Balances - All Governmental Fund Types -<br>For the Year Ended December 31, 2012 .....              | 7           |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes<br>in Fund Cash Balances - All Proprietary and Fiduciary Fund Types -<br>For the Year Ended December 31, 2012 ..... | 8           |
| Notes to the Financial Statements .....  | 9-17        |
| Independent Auditors' Report on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Required by<br><i>Government Auditing Standards</i> .....               | 18-19       |
| Schedule of Findings.....  | 20-21       |
| Schedule of Prior Year Findings.....   | 22          |



## **INDEPENDENT AUDITORS' REPORT**

Village of Bloomdale  
Wood County  
206 Vine Street  
Bloomdale, Ohio 44817

To the Village Council:

### **Report on the Financial Statements**

We have audited the accompanying financial statements and related notes of the Village of Bloomdale, Wood County, Ohio, (the Village) as of and for the years ended December 31, 2013 and 2012.

### **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.

### **Auditors Reasonability**

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with the auditing standards generally accepted in the United State of American and the financial audit standards in the Comptroller General of the Unite 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 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 out audit opinion.

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

As described in Note 1 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, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**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, 2013 and 2012, or changes in financial position thereof for the years then ended.

**Opinion Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Bloomdale, Wood County, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements 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 1.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2014 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.



Certified Public Accountants

Marion, Ohio  
October 14, 2014

**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, 2013

|   | <u>Governmental Fund Types</u> |                            |                             | <b>Total<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|-----------------------------|--|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |  |
| <b>Cash receipts:-</b>                            |                                |                            |                             |  |
| Property and other local taxes                    | \$ 28,370                      | \$ 0                       | \$ 0                        | \$ 28,370                              |
| Municipal income taxes                            | 86,091                         | 0                          | 0                           | 86,091                                 |
| Intergovernmental                                 | 26,980                         | 40,148                     | 0                           | 67,128                                 |
| Charges for services                              | 40,494                         | 0                          | 0                           | 40,494                                 |
| Fines, licenses, and permits                      | 3,830                          | 0                          | 0                           | 3,830                                  |
| Earnings on investments                           | 565                            | 0                          | 0                           | 565                                    |
| Miscellaneous                                     | 7,627                          | 14,656                     | 0                           | 22,283                                 |
| Total cash receipts                               | 193,957                        | 54,804                     | 0                           | 248,761                                |
| <b>Cash disbursements:-</b>                       |                                |                            |                             |  |
| Current:-   |                                |                            |                             |  |
| Security of persons and property                  | 30,849                         | 78,122                     | 0                           | 108,971                                |
| Public health services                            | 4,152                          | 0                          | 0                           | 4,152                                  |
| Leisure time activities                           | 16,432                         | 7,047                      | 0                           | 23,479                                 |
| Transportation                                    | 0                              | 42,389                     | 0                           | 42,389                                 |
| General government                                | 85,889                         | 0                          | 0                           | 85,889                                 |
| Capital outlay                                    | 8,654                          | 0                          | 50,382                      | 59,036                                 |
| Total cash disbursements                          | 145,976                        | 127,558                    | 50,382                      | 323,916                                |
| Excess receipts over (under) cash disbursement:   | 47,981                         | ( 72,754)                  | ( 50,382)                   | ( 75,155)                              |
| <b>Other financing receipts (disbursements):-</b> |                                |                            |                             |  |
| Transfers-in                                      | 0                              | 1,352                      | 31,362                      | 32,714                                 |
| Transfers-out                                     | ( 31,362)                      | ( 1,352)                   | 0                           | ( 32,714)                              |
| Total other financing receipts (disbursements)    | ( 31,362)                      | 0                          | 31,362                      | 0                                      |
| Net Change in Fund Cash Balances                  | 16,619                         | ( 72,754)                  | ( 19,020)                   | ( 75,155)                              |
| Fund cash balances, January 1, 2013               | 28,755                         | 195,776                    | 26,716                      | 251,247                                |
| <b>Fund cash balances, December 31, 2013</b>      |                                |                            |                             |  |
| Restricted  | 0                              | 123,022                    | 7,696                       | 130,718                                |
| Assigned  | 456                            | 0                          | 0                           | 456                                    |
| Unassigned  | 44,918                         | 0                          | 0                           | 44,918                                 |
| Fund cash balances, December 31, 2013             | <u>\$ 45,374</u>               | <u>\$ 123,022</u>          | <u>\$ 7,696</u>             | <u>\$ 176,092</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 PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPE:  
FOR THE YEAR ENDED DECEMBER 31, 2013

|  | <u>Proprietary<br/>Fund Type</u> | <u>Fiduciary<br/>Fund Type</u> | <u>Total<br/>(Memorandum<br/>Only)</u> |
|--|----------------------------------|--------------------------------|--|
|  | <u>Enterprise</u>                | <u>Agency</u>                  |  |
| <b>Operating Cash Receipts:-</b>             |                                  |                                |  |
| Charges for services                         | \$ 700,796                       | \$ 46,458                      | \$ 747,254                             |
| Fines, license and permits                   | 0                                | 1,209                          | 1,209                                  |
| Total operating cash receipts                | 700,796                          | 47,667                         | 748,463                                |
| <b>Operating Cash Disbursements:-</b>        |                                  |                                |  |
| Personal services                            | 41,156                           | 0                              | 41,156                                 |
| Employee Fringe                              | 54,973                           | 45,658                         | 100,631                                |
| Contractual services                         | 524,184                          | 0                              | 524,184                                |
| Supplies and materials                       | 26,426                           | 0                              | 26,426                                 |
| Other  | 5,759                            | 246                            | 6,005                                  |
| Total operating cash disbursements           | 652,498                          | 45,904                         | 698,402                                |
| Operating income                             | 48,298                           | 1,763                          | 50,061                                 |
| <b>Non-Operating Cash Receipts:-</b>         |                                  |                                |  |
| Intergovernmental receipts                   | 6,294                            | 0                              | 6,294                                  |
| Earnings on Investments                      | 40                               | 0                              | 40                                     |
| Other non-operating receipts                 | 487,904                          | 0                              | 487,904                                |
| Total non-operating cash receipts            | 494,238                          | 0                              | 494,238                                |
| <b>Non-Operating Cash Disbursements:-</b>    |                                  |                                |  |
| Redemption of principal                      | 486,804                          | 0                              | 486,804                                |
| Other non-operating disbursements            | 8,547                            | 0                              | 8,547                                  |
| Total non-operating cash disbursements       | 495,351                          | 0                              | 495,351                                |
| Net change in Fund Cash Balances             | 47,185                           | 1,763                          | 48,948                                 |
| Fund cash balances, January 1, 2013          | 282,393                          | 2,108                          | 284,501                                |
| <b>Fund cash balances, December 31, 2013</b> | <u>\$ 329,578</u>                | <u>\$ 3,871</u>                | <u>\$ 333,449</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, 2012

|   | <u>Governmental Fund Types</u> |                            |                             | <b>Total<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|-----------------------------|--|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |  |
| <b>Cash receipts:-</b>                                |                                |                            |                             |  |
| Property and other local taxes                        | \$ 28,444                      | \$ 0                       | \$ 0                        | \$ 28,444                              |
| Municipal income taxes                                | 74,342                         | 0                          | 0                           | 74,342                                 |
| Intergovernmental                                     | 57,339                         | 43,662                     | 0                           | 101,001                                |
| Charges for services                                  | 42,846                         | 0                          | 0                           | 42,846                                 |
| Fines, licenses, and permits                          | 1,106                          | 0                          | 0                           | 1,106                                  |
| Earnings on investments                               | 501                            | 60                         | 0                           | 561                                    |
| Miscellaneous   | 11,047                         | 0                          | 0                           | 11,047                                 |
| <b>Total cash receipts</b>                            | <b>215,625</b>                 | <b>43,722</b>              | <b>0</b>                    | <b>259,347</b>                         |
| <b>Cash disbursements:-</b>                           |                                |                            |                             |  |
| Current:-   |                                |                            |                             |  |
| Security of persons and property                      | 39,880                         | 0                          | 0                           | 39,880                                 |
| Public health services                                | 9,721                          | 0                          | 0                           | 9,721                                  |
| Leisure time activities                               | 11,356                         | 0                          | 0                           | 11,356                                 |
| Transportation  | 0                              | 39,948                     | 0                           | 39,948                                 |
| General government                                    | 93,454                         | 0                          | 0                           | 93,454                                 |
| Capital outlay  | 0                              | 0                          | 16,118                      | 16,118                                 |
| <b>Total cash disbursements</b>                       | <b>154,411</b>                 | <b>39,948</b>              | <b>16,118</b>               | <b>210,477</b>                         |
| Excess of receipts over (under) disbursements         | 61,214                         | 3,774                      | ( 16,118)                   | 48,870                                 |
| <b>Other financing receipts (disbursements):-</b>     |                                |                            |                             |  |
| Transfers-in  | 0                              | 0                          | 32,486                      | 32,486                                 |
| Transfers-out   | ( 32,486)                      | 0                          | 0                           | ( 32,486)                              |
| <b>Total other financing receipts (disbursements)</b> | <b>( 32,486)</b>               | <b>0</b>                   | <b>32,486</b>               | <b>0</b>                               |
| <b>Net change in Fund Cash Balances</b>               | <b>28,728</b>                  | <b>3,774</b>               | <b>16,368</b>               | <b>48,870</b>                          |
| Fund cash balances, January 1, 2012                   | 27                             | 192,002                    | 10,348                      | 202,377                                |
| <b>Fund cash balances, December 31, 2013</b>          |                                |                            |                             |  |
| Restricted  | 0                              | 195,776                    | 26,716                      | 222,492                                |
| Assigned  | 0                              | 0                          | 0                           | 0                                      |
| Unassigned  | 28,755                         | 0                          | 0                           | 28,755                                 |
| <b>Fund cash balances, December 31, 2012</b>          | <b>\$ 28,755</b>               | <b>\$ 195,776</b>          | <b>\$ 26,716</b>            | <b>\$ 251,247</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, 2012

|  | <b>Proprietary<br/>Fund Type</b> | <b>Fiduciary<br/>Fund Type</b> | <b>Total<br/>(Memorandum<br/>Only)</b> |
|--|----------------------------------|--------------------------------|--|
|  | <b>Enterprise</b>                | <b>Agency</b>                  |  |
| <b>Operating Cash Receipts:-</b>             |                                  |                                |  |
| Charges for services                         | \$ 777,721                       | \$ 46,016                      | \$ 823,737                             |
| Miscellaneous                                | 0                                | 32                             | 32                                     |
|  | <hr/>                            | <hr/>                          | <hr/>                                  |
| Total operating cash receipts                | 777,721                          | 46,048                         | 823,769                                |
| <b>Operating Cash Disbursements:-</b>        |                                  |                                |  |
| Personal services                            | 58,642                           | 0                              | 58,642                                 |
| Employee Fringe                              | 55,341                           | 0                              | 55,341                                 |
| Contractual services                         | 454,714                          | 43,432                         | 498,146                                |
| Supplies and materials                       | 26,202                           | 0                              | 26,202                                 |
| Other  | 1,958                            | 81                             | 2,039                                  |
|  | <hr/>                            | <hr/>                          | <hr/>                                  |
| Total operating cash disbursements           | 596,857                          | 43,513                         | 640,370                                |
| Operating income                             | 180,864                          | 2,535                          | 183,399                                |
| <b>Non-Operating Cash Receipts:-</b>         |                                  |                                |  |
| Intergovernmental receipts                   | 1,455                            | 0                              | 1,455                                  |
| Earnings on investment                       | 45                               | 0                              | 45                                     |
| Miscellaneous                                | 2,927                            | 0                              | 2,927                                  |
|  | <hr/>                            | <hr/>                          | <hr/>                                  |
| Total non-operating cash receipts            | 4,427                            | 0                              | 4,427                                  |
| <b>Non-Operating Cash Disbursements:-</b>    |                                  |                                |  |
| Redemption of principal                      | 28,787                           | 0                              | 28,787                                 |
| Interest                                     | 10,221                           | 0                              | 10,221                                 |
| Other non-operating disbursements            | 2,428                            | 0                              | 2,428                                  |
|  | <hr/>                            | <hr/>                          | <hr/>                                  |
| Total non-operating cash disbursements       | 41,436                           | 0                              | 41,436                                 |
| Net change in Fund Cash Balances             | 143,855                          | 2,535                          | 146,390                                |
| Fund cash balances, January 1, 2012          | <hr/>                            | <hr/>                          | <hr/>                                  |
|  | 138,538                          | ( 427)                         | 138,111                                |
| <b>Fund cash balances, December 31, 2012</b> | <u>\$ 282,393</u>                | <u>\$ 2,108</u>                | <u>\$ 284,501</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, 2013 AND 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-**

**Description of the Entity** - The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Bloomdale, Wood County, Ohio (the Village) as a body corporate and politic. The Village is directed by a publicly elected Mayor and Clerk as well as a publicly elected six member council.

The Village provides water and sewer (through August 2012, at which time Northwest Water and Sewer District began providing the services) as well as electrical service for residence. The Village also maintains a fire department as well as an EMS department.

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

**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).

**Cash and Investments** - The Village maintains its cash deposits in an interest-bearing checking account and in certificate of deposits.

Certificates of deposit are valued at cost.

**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:

**General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**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.

*State Highway Improvement Fund*

This fund receives .075 percent of gasoline and motor vehicle tax money for maintaining and repairing State Route 18 thru the Village.

*Permissive Tax*

This fund is from motor vehicle license for constructing, maintaining and repairing Village streets.

**Capital Projects 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 fund.

**VILLAGE OF BLOOMDALE**  
**WOOD COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-** (continued)

*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, which have the life expectancy of 5 years or more from the time of purchase.

Enterprise Funds

*Water Fund*

This fund receives charges for services from residents to cover the cost of providing this utility. (Transferred cash balances to Northwest Water and Sewer District January 2013)

*Sewer Fund*

This fund receives charges for services from residents to cover the cost of providing this utility. (Transferred cash balances to Northwest Water and Sewer District January 2013)

*Electric Fund*

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

*Emergency Medical Service*

This fund receives charges for service and contracts to provide this service. PCSO, Sandusky, Ohio does the billing for this fund.

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 remittance to a refuse collector.

**Budgetary Process** - The Ohio Revised Code requires that each fund be budgeted annually.

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 Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and subsequent amendments. Unencumbered appropriations lapse at year-end.

Estimated Resources

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

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 2013 and 2012 budgetary activity appears in Note 3.

**VILLAGE OF BLOOMDALE**  
**WOOD COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-** (continued)

**Fund Balance** - Fund balance is divided into five classifications based primarily on the extent to which the District 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**

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

**Assigned**

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

**Unassigned**

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

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

**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.

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

**VILLAGE OF BLOOMDALE  
WOOD COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**NOTE 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 and investments at December 31, 2013 and 2012 was as follows:

|                         | <u>2013</u>       | <u>2012</u>       |
|-------------------------|-------------------|-------------------|
| Demand deposits         | \$ 270,839        | \$ 297,368        |
| Certificates of deposit | <u>238,702</u>    | <u>238,380</u>    |
| <b>Total deposits</b>   | <u>\$ 509,541</u> | <u>\$ 535,748</u> |

**Demand Deposits** - The Village's deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Village, or (3) collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF BLOOMDALE**  
**WOOD COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

**NOTE 3 - BUDGETARY ACTIVITY:-**

Budgetary activity for the year ending December 31, 2013 was as follows:

**2013 Budgeted vs. Actual Receipts**

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u>     | <u>Variance</u>          |
|------------------|--------------------------|----------------------------|--------------------------|
| General          | \$ 249,650               | \$ 193,957                 | \$ ( 55,693)             |
| Special Revenue  | 43,500                   | 56,156                     | 12,656                   |
| Capital Projects | 34,000                   | 31,362                     | ( 2,638)                 |
| Proprietary      | 622,000                  | 1,195,034                  | 573,034                  |
| Fiduciary        | <u>50,400</u>            | <u>47,667</u>              | <u>( 2,733)</u>          |
| <b>Total</b>     | <b>\$ <u>999,550</u></b> | <b>\$ <u>1,524,176</u></b> | <b>\$ <u>524,626</u></b> |

**2013 Budgeted vs. Actual Budgetary Basis Expenditures**

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u>            |
|------------------|--------------------------------|-------------------------------|----------------------------|
| General          | \$ 278,971                     | \$ 177,794                    | \$ 101,177                 |
| Special Revenue  | 240,893                        | 128,910                       | 111,983                    |
| Capital Projects | 60,716                         | 50,382                        | 10,334                     |
| Proprietary      | 872,423                        | 1,147,849                     | ( 275,426)                 |
| Fiduciary        | <u>52,297</u>                  | <u>45,904</u>                 | <u>6,393</u>               |
| <b>Total</b>     | <b>\$ <u>1,505,300</u></b>     | <b>\$ <u>1,550,839</u></b>    | <b>\$ ( <u>45,539</u>)</b> |

Contrary to Ohio Law, at December 31, 2013 expenditures exceeded appropriations in the Proprietary Funds by \$275,426.

Contrary to Ohio Law, at December 31, 2013 appropriations exceeded available resources in the General Fund, Capital Projects Fund, and the Fiduciary Fund by \$56,259, \$2,638, and \$759, respectively.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012

**NOTE 3 - BUDGETARY ACTIVITY**:- (continued)

Budgetary activity for the year ending December 31, 2012 was as follows:

**2012 Budgeted vs. Actual Receipts**

| <u>Fund Type</u> | <u>Budgeted<br/>Receipts</u> | <u>Actual<br/>Receipts</u> | <u>Variance</u>             |
|------------------|------------------------------|----------------------------|-----------------------------|
| General          | \$ 250,794                   | \$ 215,625                 | \$ ( 35,169)                |
| Special Revenue  | 43,900                       | 43,722                     | ( 178)                      |
| Capital Projects | 46,000                       | 32,486                     | ( 13,514)                   |
| Proprietary      | 831,750                      | 782,148                    | ( 49,602)                   |
| Fiduciary        | 48,200                       | 46,048                     | ( 2,152)                    |
| <b>Total</b>     | <b>\$ <u>1,220,644</u></b>   | <b>\$ <u>1,120,029</u></b> | <b>\$ <u>( 100,615)</u></b> |

**2012 Budgeted vs. Actual Budgetary Basis Expenditures**

| <u>Fund Type</u> | <u>Appropriation<br/>Authority</u> | <u>Budgetary<br/>Expenditures</u> | <u>Variance</u>            |
|------------------|------------------------------------|-----------------------------------|----------------------------|
| General          | \$ 251,029                         | \$ 186,897                        | \$ 64,132                  |
| Special Revenue  | 236,238                            | 39,948                            | 196,290                    |
| Capital Projects | 56,029                             | 16,118                            | 39,911                     |
| Proprietary      | 969,154                            | 638,293                           | 330,861                    |
| Fiduciary        | 1,560,011                          | 43,513                            | 1,516,498                  |
| <b>Total</b>     | <b>\$ <u>3,072,461</u></b>         | <b>\$ <u>924,769</u></b>          | <b>\$ <u>2,147,692</u></b> |

Contrary to Ohio Law, at December 31, 2012 appropriations exceeded available resources in the General, Special Revenue, Capital Projects, Proprietary, and Fiduciary Funds by \$35,377, \$514, \$13,195, \$48,468, and \$1,940, respectively.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**NOTE 4 - PROPERTY TAX:-**

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 Receipt's . Payments are due to the County By December 31. If the property owner elects to pay semi annually, the first half is due December 31. The second half 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 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 tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly, and file a declaration annually.

In October 2013, the Village transitioned all income tax collections to the Regional Income Taxing Authority (R.I.T.A.)

**NOTE 6 - DEBT:-**

During 2012, the Village entered into an agreement with the Northwestern Water and Sewer District (the District) to transfer the water and sewer system and all operations to the District from the Village. In August 2012, the system and all current operations were transferred over to the District. Then, in January 2013, the Village transferred all cash fund balances in the Water Fund and Sewer Fund to the District, at which time, Northwestern Water and Sewer District assumed all responsibility for the outstanding debt related to the Village's Water and Sewer with the Ohio Water Development Authority and the Ohio Public Works Commission.

As of August 2012, the District completes all meter reading, billings, and collections. The District also maintains all collections and completes all maintenance and repairs related to the Water services.

During 2005, a water system improvement loan was entered into with the Ohio Water Development Authority and disbursements in the amount of \$373,025 were made from the loan during that period. During 2006, additional proceeds were received by the Village through disbursements from the loan in the amount of \$157,127. The loan repayments began during 2006 and will be repaid in annual installments over 30 years as set forth within the amortization schedule, which may be adjusted after the final disbursement is made and at the closure of the loan. During 2013, the total outstanding balance on the loan was transferred to the Northwestern Water and Sewer District.

During 1995, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for waterline and water tower replacement. The original amount of the loan was \$218,701 and will be repaid in semiannual installments of \$7,253, including interest over 19.5 years at a rate of 3.00%. During 2013, the total outstanding balance on the loan was transferred to the Northwestern Water and Sewer District.

During 2005, the Village entered into a second loan agreement with the Ohio Public Works Commission (OPWC) for water system improvements. The original amount of the loan was \$18,309 and has a 0% interest rate. The loan will be repaid in semiannual installment of \$458 beginning January 1, 2007. During 2013, the total outstanding balance on the loan was transferred to the Northwestern Water and Sewer District.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**NOTE 7 - RETIREMENT SYSTEMS:-**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2013 and 2012, PERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries for 2013 and 2012. The Village has paid all contributions required through December 31, 2013.

**NOTE 8 - RISK MANAGEMENT:-**

The Government is exposed to various risks of property and casualty losses, and injuries to employees.

The Government insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Government 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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty and Property Coverage**

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2013, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does 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 net position at December 31, 2012 and 2013:

|              | <b><u>2012</u></b>  | <b><u>2013</u></b>  |
|--------------|---------------------|---------------------|
| Assets       | \$34,389,569        | \$34,411,883        |
| Liabilities  | <u>(14,208,353)</u> | <u>(12,760,194)</u> |
| Net Position | <u>\$20,181,216</u> | <u>\$21,651,689</u> |

At December 31, 2012 and 2013, respectively, the liabilities above include approximately \$13.1 million and \$11.6 million of estimated incurred claims payable. The assets above also include approximately \$12.6 million and \$11.1 million of unpaid claims to be billed to approximately 475 member governments in the future, as of December 31, 2012 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Village's share of these unpaid claims collectible in future years is approximately \$23,000.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**NOTE 8 - RISK MANAGEMENT**:- (continued)

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

| <b><u>Contributions to PEP</u></b> |                    |
|------------------------------------|--------------------|
| <b><u>2012</u></b>                 | <b><u>2013</u></b> |
| \$ 32,381                          | \$ 33,238          |

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**NOTE 9 - SUBSEQUENT EVENTS**:-

The Village evaluated subsequent events through October 14, 2014, the date which the financial statements were available to be issued. The following was noted that required disclosure.

The Village of Bloomdale (The Village) is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village of Bloomdale's share was 200 kilowatts of a total 771,281 kilowatts, giving the Village a 0.03 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not made due to AMP's pursuit of legal action to void them. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The Village of Bloomdale's estimated share at March 31, 2014, of the impaired costs is \$34,932. The Village received a credit of \$9,045 related to the AMPGS costs deemed to have future benefit of the project participants, leaving a net impaired cost estimate of \$25,887. The Village has decided to make a lump sum payment in the amount of \$25,887. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the Village's payments.

Subsequent to year end, the Village Council voted to repay the \$25,887, in one lump sum payment. As of October 14, 2014 repayment of this amount had not yet been made.



**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Required by Government Auditing Standards**

Village of Bloomdale  
Wood County  
206 Vine Street  
Bloomdale, Ohio 44817

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Bloomdale, Wood County, (the Village) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated October 14, 2014, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

**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.

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 Government's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency in internal control. We consider finding 2013-002 to be a significant deficiency.

We also noted certain internal control matters that we reported to the Village's management in a separate letter dated October 14, 2014.

## **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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item, 2013-001.

## **Entity's Response to Findings**

The Village's responses to the findings identified in our audit are described in the accompanying schedule of 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 Government's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

Marion, Ohio  
October 14, 2014

**VILLAGE OF BLOOMDALE  
WOOD COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012**

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

|                       |                 |
|-----------------------|-----------------|
| <b>Finding Number</b> | <b>2013-001</b> |
|-----------------------|-----------------|

**Noncompliance Citation – Appropriations Exceeding Estimated Resources**

Ohio Revised Code Section 5705.36, allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the clerk that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation.

Ohio Revised Code, Section 5705.39, states that the total appropriation from each fund should not exceed the total estimated revenue as certified by the county budget commission. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. The Village’s appropriations exceeded estimated resources as of December 31, 2013 and 2012.

We recommend the Village Council and Clerk periodically review the Village’s appropriations versus certified estimated resources to identify and investigate any variances and to help monitor legal compliance. The Village officials should ensure that the Village has properly prepared and submitted all required budgetary documents to the county auditor. Also, each time appropriations are adopted or amended, the Village should ensure the certificate of the County Auditor is received indicating appropriations do not exceed certified resources.

**Officials’ Response**

When supplemental appropriations are approved by the Village Council, the Clerk will submit the appropriate paperwork with the County Auditor.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012**

|  |  |
|--|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |  |
|--|--|

|                       |  |
|-----------------------|--|
| <b>Finding Number</b> |  |
|-----------------------|--|

|  |                 |
|--|-----------------|
|  | <b>2013-002</b> |
|--|-----------------|

**Significant Deficiency – Income Tax Internal Control and Review Procedures**

During our analysis and testing of income tax revenue, we noted that Council does not receive or review any reports or other information from the Income Tax Administrator of the Village for approval on a regular basis, nor has the Village established formal procedures to reasonably assure completeness and accuracy of the reporting.

We noted that the Village Council is not reviewing the income tax receipt book for proper inclusion of the returns submitted to the Village.

We also noted that a listing of delinquent accounts is not reviewed or monitored for approval by Council for timely follow up.

We noted that account numbers are used in place of names or social security numbers when tracking income tax returns that are filed. While this provides security for the residents, there is no master list that cross-references the account numbers to the returns for review by Council. We also noted during our testing that duplicate account numbers may be used for two different residents which could have been prevented by review of a master account list.

**Officials' Response**

In late 2013, Village Council passed an ordinance to transition all income tax procedures to the Regional Income Tax Authority (R.I.T.A). This should eliminate the above reoccurring issues in the taxing department.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

| Finding Number | Finding Summary  | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: |  |
|----------------|--|------------------|---|--|
| 2011-001       | Ohio Revised Code, Section 5705.41 (D) Blanket and Super Blanket certificates.   | Yes              | Finding no longer valid.  |  |
| 2011-002       | Ohio Revised Code, Section 5705.36 Amending Certificate of Estimated Resources.  | No               | Not corrected and combined and reissued as finding 2013-001.  |  |
| 2011-003       | Ohio Revised Code, Section 5705.39 Appropriations exceeding estimated resources. | No               | Not corrected and reissued as finding 2013-001.   |  |
| 2011-004       | Significant Deficiency - Income Tax Internal Control and Review Procedures.      | No               | Not corrected and reissued as finding 2013-002.   |  |
| 2011-005       | Ohio Revised Code, Section 5705.10 (H) Fund Deficit.                             | Yes              | Finding no longer valid.  |  |
| 2011-006       | Ohio Revised Code, Section 149.43 (B)(2) Public Records Policy                   | Yes              | Finding no longer valid.  |  |

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# Dave Yost • Auditor of State

**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  
MARCH 24, 2015**