



Dave Yost • Auditor of State

VILLAGE OF WOODMERE
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2015	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Agency Fund Type - For the Year Ended December 31, 2015	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Agency Fund Type - For the Year Ended December 31, 2014	6
Notes to the Financial Statements	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Woodmere
Cuyahoga County
21937 Miles Road
Woodmere, Ohio 44128

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Woodmere, Cuyahoga County, Ohio, (the Village) as of and for the years ended December 31, 2015 and 2014.

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 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.

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, 2015 and 2014, or changes in financial position 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 combined cash balances of Village of Woodmere, Cuyahoga County, Ohio, as of December 31, 2015 and 2014, 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 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2017, 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.



Dave Yost
Auditor of State
Columbus, Ohio

February 24, 2017

VILLAGE OF WOODMERE
CUYAHOGA COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Local Taxes	\$167,493	\$68,376	\$0	\$0	\$235,869
Municipal Income Tax	3,145,183	0	0	0	3,145,183
Intergovernmental	35,735	28,988	0	8,264	72,987
Special Assessments	0	0	108,986	0	108,986
Charges for Services	31,446	6,500	0	0	37,946
Fines, Licenses and Permits	180,329	6,814	0	0	187,143
Earnings on Investments	2,136	0	0	0	2,136
Miscellaneous	640	2,076	0	0	2,716
Total Cash Receipts	3,562,962	112,754	108,986	8,264	3,792,966
Cash Disbursements					
Current:					
Security of Persons and Property	1,601,319	33,680	0	0	1,634,999
Public Health Services	3,465	0	0	0	3,465
Community Environment	14,240	0	0	0	14,240
Basic Utility Services	35,960	4,110	0	2,073	42,143
Transportation	71,057	19,697	0	0	90,754
General Government	1,057,181	7,608	0	7	1,064,796
Capital Outlay	36,417	892	0	220,513	257,822
Debt Service:					
Principal Retirement	0	0	1,780,000	20,805	1,800,805
Interest and Fiscal Charges	19,403	0	45,904	0	65,307
Total Cash Disbursements	2,839,042	65,987	1,825,904	243,398	4,974,331
Excess of Receipts Over (Under) Disbursements	723,920	46,767	(1,716,918)	(235,134)	(1,181,365)
Other Financing Receipts (Disbursements)					
Sale of Notes	0	0	1,640,000	0	1,640,000
Other Debt Proceeds	0	0	1,672	149,700	151,372
Sale of Capital Assets	0	0	0	11,284	11,284
Transfers In	0	20,000	80,000	85,000	185,000
Transfers Out	(295,000)	0	0	0	(295,000)
Other Financing Sources	45,237	0	0	30,750	75,987
Other Financing Uses	(27,475)	0	0	0	(27,475)
Total Other Financing Receipts (Disbursements)	(277,238)	20,000	1,721,672	276,734	1,741,168
Net Change in Fund Cash Balances	446,682	66,767	4,754	41,600	559,803
Fund Cash Balances, January 1, 2015	\$972,295	\$263,231	\$25,167	\$1,348,923	\$2,609,616
Fund Cash Balances, December 31, 2015					
Restricted	0	328,631	29,921	43,775	402,327
Committed	154,820	1,367	0	1,346,748	1,502,935
Unassigned (Deficit)	1,264,157	0	0	0	1,264,157
Fund Cash Balances, December 31, 2015	\$1,418,977	\$329,998	\$29,921	\$1,390,523	\$3,169,419

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

VILLAGE OF WOODMERE
CUYAHOGA COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES (REGULATORY CASH BASIS) - AGENCY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2015

	Agency
Operating Cash Receipts	
Charges for Services	\$ 321
Miscellaneous	7,564
	7,885
Total Operating Cash Receipts	
	7,885
Operating Cash Disbursements	
Other-General Government	134,010
	134,010
Total Operating Cash Disbursements	
	134,010
	(126,125)
Operating Income (Loss)	
	(126,125)
Non-Operating Receipts (Disbursements)	
Other Financing Sources	304,362
Other Financing Uses	(189,367)
	114,995
Total Non-Operating Receipts (Disbursements)	
	114,995
Income (Loss) before Transfers In	(11,130)
Transfers In	110,000
	98,870
Net Change in Fund Cash Balances	98,870
Fund Cash Balances, January 1	\$ 357,683
Fund Cash Balances, December 31	\$ 456,553

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

VILLAGE OF WOODMERE
CUYAHOGA COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Local Taxes	\$144,996	\$59,678	\$0	\$0	\$204,674
Municipal Income Tax	2,720,432	0	0	0	2,720,432
Intergovernmental	37,124	33,887	0	0	71,011
Special Assessments	0	0	109,040	0	109,040
Charges for Services	29,538	6,500	0	0	36,038
Fines, Licenses and Permits	148,880	6,470	0	0	155,350
Earnings on Investments	559	0	0	0	559
Miscellaneous	875	10,046	0	0	10,921
Total Cash Receipts	3,082,404	116,581	109,040	-	3,308,025
Cash Disbursements					
Current:					
Security of Persons and Property	1,477,574	152,669	0	8,134	1,638,377
Public Health Services	4,439	0	0	0	4,439
Community Environment	10,385	0	0	0	10,385
Basic Utility Services	36,380	3,269	0	0	39,649
Transportation	42,525	27,917	0	0	70,442
General Government	1,015,067	15,750	0	7,612	1,038,429
Capital Outlay	32,516	0	0	283,813	316,329
Debt Service:					
Principal Retirement	0	0	329,500	19,805	349,305
Interest and Fiscal Charges	3,343	0	49,558	0	52,901
Total Cash Disbursements	2,622,229	199,605	379,058	319,364	3,520,256
Excess of Receipts Over (Under) Disbursements	460,175	(83,024)	(270,018)	(319,364)	(212,231)
Other Financing Receipts (Disbursements)					
Sale of Notes	5,000	0	229,500	1,495,000	1,729,500
Other Debt Proceeds	0	0	5,454	0	5,454
Sale of Capital Assets	1,941	0	0	14,503	16,444
Transfers In	0	19,519	0	55,000	74,519
Transfers Out	(164,519)	0	0	0	(164,519)
Advances In	235,000	0	0	195,000	430,000
Advances Out	(195,000)	(40,000)	0	(195,000)	(430,000)
Other Financing Sources	61,529	0	0	1,870	63,399
Other Financing Uses	(12,767)	0	0	0	(12,767)
Total Other Financing Receipts (Disbursements)	(68,816)	(20,481)	234,954	1,566,373	1,712,030
Net Change in Fund Cash Balances	391,359	(103,505)	(35,064)	1,247,009	1,499,799
Fund Cash Balances, January 1, 2014	\$580,936	\$366,736	\$60,231	\$101,913	\$1,109,816
Fund Cash Balances, December 31, 2014					
Restricted	0	263,064	25,167	12,411	300,642
Committed	154,820	167	0	1,336,512	1,491,499
Unassigned (Deficit)	817,475	0	0	0	817,475
Fund Cash Balances, December 31, 2014	\$972,295	\$263,231	\$25,167	\$1,348,923	\$2,609,616

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

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES (REGULATORY CASH BASIS) - AGENCY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Agency
Operating Cash Receipts	
Miscellaneous	\$ 4,875
<i>Total Operating Cash Receipts</i>	4,875
Operating Cash Disbursements	
Other-General Government	5,856
<i>Total Operating Cash Disbursements</i>	5,856
<i>Operating Income (Loss)</i>	(981)
Non-Operating Receipts (Disbursements)	
Other Financing Sources	195,205
Other Financing Uses	(229,248)
<i>Total Non-Operating Receipts (Disbursements)</i>	(34,043)
Income (Loss) before Transfers In	(35,024)
Transfers In	90,000
Net Change in Fund Cash Balances	54,976
<i>Fund Cash Balances, January 1</i>	\$ 302,707
<i>Fund Cash Balances, December 31</i>	\$ 357,683

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

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Woodmere, Cuyahoga County, (the Village) as a body corporate and politic. A publicly-elected seven-member Council directs the Village. The Village provides general government services, including police, fire, mayor's court, building inspections, along with planning and zoning services.

The Village participates in a jointly governed organization and a public entity risk pool. Notes 8 and 10 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organization:

Valley Enforcement Regional Council of Governments (VERCOG) – VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit.

The Chagrin Valley Dispatch Center Regional Council of Governments is a regional Dispatching organization that Woodmere Village is part of.

Public Entity Risk Pool:

Ohio Government Risk Plan (the Plan) – the Plan is 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 Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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 expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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

VILLAGE OF WOODMERE
CUYAHOGA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2015
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

C. Deposits and Investments (Continued)

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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

2. Special Revenue Funds

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

Law Enforcement Trust Fund – This fund receives funding through a program offered by the Federal Government for communities to share in the proceeds from forfeitures distributed by the Courts to participating communities performing undercover police department work. The program is referred to as the High Intensity Drug Task Force Agency (H.I.D.T.A.); however, Woodmere no longer participates in the HIDTA program.

Fire Levy Fund - This fund was established by a vote of the residents to provide funding for the Fire Department. The Village receives proceeds amounting to a one (1) mill levy from property taxes collected by Cuyahoga County and subsequently distributed to the Village.

Cuyahoga County Community Development Fund – This fund is used by the Village for the purpose of accounting for any grant received from the Cuyahoga County Community Development Fund.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

General Bond Retirement Fund – During this audit period, the Village entered into various new Note issues in 2014 for the following: 1) A Note in the amount of \$900,000 for new construction of a Service Department facility was issued in 2014 while \$40,000 was paid down on the principal in 2015; 2) A Note in the amount of \$400,000 for the purpose of renovating Village Hall was issued in 2014 while \$20,000 was paid down on the principal in 2015;

VILLAGE OF WOODMERE
CUYAHOGA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2015
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

D. **Fund Accounting (Continued)**

3. **Debt Service Funds (Continued)**

3) A Note in the amount of \$200,000 for the purchase of property on Brainard Road which included a house on one parcel of land and three adjacent parcels of land. The Village paid \$20,000 down on the principal for the Brainard Note in 2015.

In addition, this fund is currently used to account for a note the Village owns for property on Roselawn. This Note was originally issued at \$285,000 in 2004 and at the end of December 31, 2013 \$238,000 was outstanding, while \$8,500 was paid down on the principal in 2014 and \$9,500 in 2015 leaving outstanding Notes in the amount of \$220,000 for the Roselawn Note at December 31, 2015..

Special Assessment Bond Fund – This fund was established for the purpose of accounting for the Special Assessment Bond issued to Chagrin Brainard LLC for the widening of Chagrin Boulevard by the Eton Collection mall located in the Village.

4. **Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned 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 during this audit period:

New Vehicle Fund: This fund is primarily used to fund future purchase future vehicles for the Service Department and to a significantly lesser extent, for the Police Department. Funding comes from the Village's General Fund.

Building Improvement Fund: This fund is primarily used to account for funding of two debt issue projects: 1) New Service Department Building Construction; 2) Renovation of Village Hall. In 2014 \$1,300,000 was recorded in this fund from the issuing of Notes for the construction of the new Service Department and the renovation of Village Hall.

Land Acquisition Fund – This fund receives transfers from the General Fund for the purpose of purchasing land in the Village.

5. **Fiduciary Funds**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's Agency Fund – Mayor's Court Fund accounts for all activity related to the Mayor's Court and Clerk of Courts Office. The Road and Building Bond Funds account for contractors bonds for the purpose of road and building construction services.

In addition, the Village established by Ordinance in 2014 the Health Care Fund as an Agency Fund; whereby proceeds are accounted for the monitoring of an employee partially self-insured Healthcare Arrangement Account. This plan has a Third Party Administrator.

VILLAGE OF WOODMERE
CUYAHOGA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2015
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

E. Budgetary Process

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

A summary of 2014 and 2015 budgetary activity appears in Note 3.

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 Village 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

F. Fund Balance

For December 31, 2015, 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:

1. Nonspendable

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

2. 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.

3. 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

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2015
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

4. 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.

5. 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.

G. Property, Plant, and Equipment

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

H. 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.

2. Equity in Pooled 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:

	2015	2014
Demand deposits	\$1,595,137	\$829,818
Investments:		
STAR Ohio	506,994	506,456
Certificate of Deposit	1,000,000	
Money market mutual fund	523,841	1,631,026
Total Investments	2,030,835	2,137,482
Total demand deposits and Investments	\$3,625,972	\$2,967,300

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2015
(Continued)**

2. Equity in Pooled Deposits and Investments (Continued)

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2014 and December 31, 2015 follows:

2015 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,331,631	\$3,608,199	\$276,568
Special Revenue	129,355	132,754	3,399
Debt Service	1,828,985	1,830,658	1,673
Capital Projects	293,934	284,998	(8,936)
Agency	395,542	422,247	26,705
Total	\$5,979,447	\$6,278,856	\$299,409

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,383,524	\$3,161,517	\$222,007
Special Revenue	302,681	65,987	236,694
Debt Service	1,825,906	1,825,904	2
Capital Projects	1,595,584	243,398	1,352,186
Agency	418,717	323,377	95,340
Total	\$7,526,412	\$5,620,183	\$1,906,229

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,011,748	\$3,150,874	\$139,126
Special Revenue	138,343	136,100	(2,243)
Debt Service	344,493	343,994	(499)
Capital Projects	1,568,618	1,566,373	(2,245)
Agency	281,325	290,080	8,755
Total	\$5,344,527	\$5,487,421	\$142,894

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,032,044	\$2,799,515	\$232,529
Special Revenue	372,534	199,605	172,929
Debt Service	379,560	379,058	502
Capital Projects	1,625,194	319,364	1,305,830
Agency	332,190	235,104	97,086
Total	\$5,741,522	\$3,932,646	\$1,808,876

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2015
(Continued)**

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 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.

Public utilities are also taxed on personal and real property located within the Village.

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 two and a half 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. The local income tax rate was changed by the voters of the Village from two percent to two and a half percent effective January 1, 2010.

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

6. Debt

Debt outstanding at December 31, 2015 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Special Assessment Bond	\$755,000	6%
General Obligation Notes	1,640,000	1%
OPWC Loan 2 - Roselawn/Avondale	9,512	0%
Total	<u>\$2,404,512</u>	

The Ohio Public Works Commission (OPWC) loans relate to sanitary sewer projects. OPWC Loan 2 for Roselawn/Avondale has two more annual payments of \$3,805 each and one payment of \$1,901 in 2018 to pay this loan in full.

The special assessment bond was issued on October 1, 2005 and matures on December 1, 2024. The bonds will be paid through property tax assessments to the owners of the ETON mall located in Woodmere Village.

General Obligation Notes are for one year with principal outstanding at December 31, 2015 in the amount of \$1,640,000 plus interest in the amount of \$22,487 in 2016.

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2015
(Continued)**

7. Debt (Continued)

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

Year ending December 31:	General Obligation Notes	OPWC Loan 2	Special Assessment Bond	Total
2016	\$1,662,487	\$3,805	\$106,525	\$1,772,817
2017	0	3,805	102,950	106,755
2018	0	1,902	109,375	111,277
2019	0	0	110,250	110,250
2020	0	0	110,850	110,850
2021-2024	0	0	439,175	439,175
Total	<u>\$1,662,487</u>	<u>\$9,512</u>	<u>\$979,125</u>	<u>\$2,651,124</u>

8. Retirement Systems

The Village's full-time police officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For July to December 2015, OP&F participants contributed 12.5 percent of their wages. For July 2014 to June 2015, OP&F participants contributed 11.5 percent of their wages. For January to June 2014, OP&F participants contributed 10.75 percent of their wages. For 2015 and 2014, the Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of fire fighters' wages respectively. For 2015 and 2014, OPERS members contributed 10 percent, of their gross salaries and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

8. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Village utilizes an insurance brokerage firm named Love Insurance to assist in finding the best insurance for the Village. US Specialty Insurance Company was selected to provide Woodmere liability insurance for 2015.

The Village purchases individual bonds for the Village Treasurer; Assistant Treasurer; Clerk of the Mayor's Court; and Clerk of Council. All employees of the Village are covered by an employee blanket bond.

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2015
(Continued)**

9. Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

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

10. Jointly Governed Organization

Valley Enforcement Regional Council of Governments

The Village is a member of Valley Enforcement Regional Council of Governments ("VERCOG"), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code.

VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group ("VEG"), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is currently comprised of fifteen communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four (4) or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. During 2014 and 2015, the Village paid \$7,000 to VERCOG each year.

Chagrin Valley Dispatch Regional Council of Governments

Woodmere Village is also a member of the Chagrin Valley Dispatch Regional Council of Governments which is the communication center for 13 municipalities of the Chagrin Valley and greater Cleveland area. The dispatch center is the first step to providing emergency services to over 70,370 residents. Certified staff members and state of the art communication systems allow the coordination and record services of all first responders. Fully trained dispatchers maintain certifications in Emergency Medical Dispatch (EMD), Cardio Pulmonary Resuscitation (CPR), and National Incident Management System (NIMS). The center is staffed 24/7 with a minimum of 5 dispatchers on duty at all times, and with 7 dispatchers on duty during peak hours.

The staff consists of 24 full time dispatchers, six full time dispatch supervisors, administrator and 10 part time employees.

**VILLAGE OF WOODMERE
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2015
(Continued)**

11. Subsequent Events

In 2016, the Village Council authorized the Treasurer to pay the following amounts towards the Village's debt issues regarding bonds/notes:

- 1) New Service Department - \$860,000 outstanding Note Principal at the end of December 31, 2015. The Village Treasurer paid \$40,000 in Note Principal during 2016 leaving outstanding Note Principal in the amount of \$820,000 at the end of December 31, 2016 for the new Service Department Note. It should also be noted that the construction of the new facility was completed in November of 2016.
- 2) Roselawn Note - \$220,000 outstanding Note Principal at the end of December 31, 2015. The Village Treasurer paid \$60,000 in Note Principal during 2016 leaving outstanding Note Principal in the amount of \$160,000 at the end of December 31, 2016. It should be noted that in 2016, the Village sold one of the parcels on Roselawn which included a house. The proceeds from the sale will be used to pay off the remaining Principal balance of this note.
- 3) Village Hall Note - \$380,000 outstanding Note Principal at the end of December 31, 2015. The Village Treasurer paid \$20,000 in Note Principal during 2016 leaving outstanding Note Principal in the amount of \$360,000 at the end of December 31, 2016.
- 4) Brainard Road Property - \$180,000 outstanding Note Principal at the end of December 31, 2015. The Village Treasurer paid \$20,000 in Note Principal during 2016 leaving outstanding Note Principal in the amount of \$160,000 at the end of December 31, 2016



Dave Yost • Auditor of State

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

Village of Woodmere
Cuyahoga County
27899 Chagrin Boulevard
Woodmere Village, Ohio 44122

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Woodmere, Cuyahoga County, Ohio, (the Village) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated February 24, 2017 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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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*.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

February 24, 2017



Dave Yost • Auditor of State

VILLAGE OF WOODMERE

CUYAHOGA 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 14, 2017