



**Auditor of State
Betty Montgomery**

VILLAGE OF BLOOMVILLE
SENECA COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Bloomville
Seneca County
10 Beeghly Avenue
Bloomville, OH 44818-9221

To the Village Council:

We have audited the accompanying financial statements of the Village of Bloomville, Seneca County, (the Village) as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Bloomville, Seneca County, as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2003 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Village of Bloomville
Seneca County
Independent Accountants' Report
Page 2

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

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

Betty Montgomery
Auditor of State

April 15, 2003

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$23,874	\$7,195	\$31,069
Intergovernmental Receipts	112,792	27,740	140,532
Charges for Services	40		40
Fines, Licenses, and Permits	3,238	25	3,263
Earnings on Investments	3,891	369	4,260
Miscellaneous	10,561	700	11,261
	<u>154,396</u>	<u>36,029</u>	<u>190,425</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	8,532	40,027	48,559
Public Health Services	1,500		1,500
Leisure Time Activities	3,179		3,179
Community Environment	1,042		1,042
Basic Utility Services	8,069		8,069
Transportation	17,691	34,147	51,838
General Government	41,810		41,810
Debt Service:			
Principal Payments		3,146	3,146
Capital Outlay	547	12,825	13,372
	<u>82,370</u>	<u>90,145</u>	<u>172,515</u>
Total Cash Disbursements			
Total Cash Receipts Over/ (Under) Cash Disbursements	<u>72,026</u>	<u>(54,116)</u>	<u>17,910</u>
Other Financing Receipts and (Disbursements):			
Transfers-In		39,000	39,000
Transfers-Out	(39,000)		(39,000)
	<u>(39,000)</u>	<u>39,000</u>	<u></u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	33,026	(15,116)	17,910
Fund Cash Balances, January 1	<u>149,010</u>	<u>62,274</u>	<u>211,284</u>
Fund Cash Balances, December 31	<u>\$182,036</u>	<u>\$47,158</u>	<u>\$229,194</u>
Reserves for Encumbrances, December 31	<u>\$2,434</u>	<u>\$1,087</u>	<u>\$3,521</u>

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

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$187,853
Miscellaneous	5,812
	<u>193,665</u>
Operating Cash Disbursements:	
Personal Services	68,231
Contractual Services	28,326
Supplies and Materials	15,331
Capital Outlay	17,179
	<u>129,067</u>
Operating Income	<u>64,598</u>
Non-Operating Cash Receipts:	
Earnings on Investments	20,703
Intergovernmental Receipts	8,254
Proceeds from Notes and Bonds	245,000
Other Non-Operating Receipts	10,977
	<u>284,934</u>
Non-Operating Cash Disbursements:	
Debt Service	417,551
Other Non-Operating Cash Disbursements	2,676
	<u>420,227</u>
Net Cash Disbursements Over Cash Receipts	(70,695)
Fund Cash Balances, January 1	<u>566,999</u>
Fund Cash Balances, December 31	<u>\$496,304</u>
Reserve for Encumbrances, December 31	<u>\$4,257</u>

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

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$24,158	\$7,412	\$31,570
Intergovernmental Receipts	100,643	28,269	128,912
Charges for Services	70		70
Fines, Licenses, and Permits	3,227		3,227
Earnings on Investments	16,479	630	17,109
Miscellaneous	17,373	1,660	19,033
	<u>161,950</u>	<u>37,971</u>	<u>199,921</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	7,665	29,816	37,481
Public Health Services	1,538		1,538
Leisure Time Activities	1,404		1,404
Community Environment	292		292
Basic Utility Services	8,785		8,785
Transportation	16,484	31,692	48,176
General Government	47,769		47,769
Debt Service:			
Principal Payments		3,146	3,146
Capital Outlay	22,250	23,321	45,571
	<u>106,187</u>	<u>87,975</u>	<u>194,162</u>
Total Cash Receipts Over/ (Under) Cash Disbursements	<u>55,763</u>	<u>(50,004)</u>	<u>5,759</u>
Other Financing Receipts and (Disbursements):			
Sale of Fixed Assets	1,424		1,424
Transfers-In		42,000	42,000
Transfers-Out	(53,521)		(53,521)
Advances-Out	(13,400)		(13,400)
	<u>(65,497)</u>	<u>42,000</u>	<u>(23,497)</u>
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(9,734)	(8,004)	(17,738)
Fund Cash Balances, January 1	158,744	70,278	229,022
Fund Cash Balances, December 31	<u>\$149,010</u>	<u>\$62,274</u>	<u>\$211,284</u>
Reserves for Encumbrances, December 31	<u>\$1,404</u>	<u>\$556</u>	<u>\$1,960</u>

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

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$184,599
Miscellaneous	1,515
	186,114
Total Operating Cash Receipts	186,114
Operating Cash Disbursements:	
Personal Services	66,756
Contractual Services	36,188
Supplies and Materials	16,752
Capital Outlay	32,103
	151,799
Total Operating Cash Disbursements	151,799
Operating Income	34,315
Non-Operating Cash Receipts:	
Investment Earnings	12,498
Intergovernmental Receipts	4,915
Proceeds from Notes and Bonds	400,000
Other Non-Operating Receipts	1,793
	419,206
Total Non-Operating Cash Receipts	419,206
Non-Operating Cash Disbursements:	
Debt Service	457,768
Other Non-Operating Cash Disbursements	1,794
	459,562
Total Non-Operating Cash Disbursements	459,562
Cash Disbursements Over Cash Receipts Before Interfund Transfers and Advances	(6,041)
Transfers-In	11,521
Advances-In	13,400
	18,880
Net Cash Receipts Over Cash Disbursements	18,880
Fund Cash Balances, January 1	548,119
Fund Cash Balances, December 31	\$566,999
Reserve for Encumbrances, December 31	\$4,668

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

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Bloomville, Seneca County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities, park operations, and police.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

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.

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

Police Operating Fund - This fund receives tax money and general fund transfers to fund the operation of the police department.

3. Enterprise Funds

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

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

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

Utility Debt Service Fund - This fund receives charges for services from residents to cover the cost of the debt to construct the sewer system.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

G. Accumulated Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2002	2001
Cash on hand	\$100	\$100
Demand deposits	224,563	203,307
Certificates of deposit	306,602	318,859
Total cash and deposits	531,265	522,266
STAR Ohio	194,133	255,917
Total cash, deposits and investments	\$725,398	\$778,183

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (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.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$190,637	\$154,396	(\$36,241)
Special Revenue	81,163	75,029	(6,134)
Enterprise	496,670	478,599	(18,071)
Total	\$768,470	\$708,024	(\$60,446)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$189,437	\$123,804	\$65,633
Special Revenue	117,648	91,232	26,416
Enterprise	664,577	553,551	111,026
Total	\$971,662	\$768,587	\$203,075

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$165,805	\$163,374	(\$2,431)
Special Revenue	81,030	79,971	(1,059)
Enterprise	619,720	616,841	(2,879)
Total	<u>\$866,555</u>	<u>\$860,186</u>	<u>(\$6,369)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$196,927	\$161,112	\$35,815
Special Revenue	137,083	88,531	48,552
Enterprise	792,993	616,029	176,964
Total	<u>\$1,127,003</u>	<u>\$865,672</u>	<u>\$261,331</u>

4. PROPERTY TAX

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

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

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

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

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission	\$11,647	0.00%
Ohio Public Works Commission	4,899	0.00%
Sewer Improvement Note	245,000	4.40%
Total	<u>\$261,546</u>	

The Ohio Public work Commission (OPWC) loans relate to street improvement projects in 1999 and 2000. The loans will be repaid in semiannual installments over 7 years.

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

The Sewer Improvement Note was issued to repay a USDA Rural Development loan. The note is collateralized by water and sewer receipts.

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

Year ending December 31:	OPWC Loan	OPWC Loan	Sewer Improvement Note
2003	\$2,329	\$817	\$252,081
2004	2,329	817	
2005	2,329	816	
2006	2,330	816	
2007	2,330	816	
2008		816	
Total	\$11,647	\$4,898	\$252,081

7. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

8. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

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**Auditor of State
Betty Montgomery**

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

Village of Bloomville
Seneca County
10 Beeghly Avenue
Bloomville, OH 44818-9221

To the Village Council:

We have audited the accompanying financial statements of the Village of Bloomville, Seneca County, (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 15, 2003. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audits, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated April 15, 2003.

Village of Bloomville
Seneca County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

April 15, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
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Columbus, Ohio 43216-1140

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800-282-0370

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VILLAGE OF BLOOMVILLE

SENECA 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
MAY 27, 2003**