

VILLAGE OF BLOOMDALE
WOOD COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010



Dave Yost • Auditor of State

Village Council
Village of Bloomdale
206 Vine Street
Bloomdale, Ohio 43910

We have reviewed the *Independent Auditor's Report* of the Village of Bloomdale, Wood County, prepared by Holbrook & Manter, for the audit period January 1, 2010 through December 31, 2011. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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.

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Dave Yost
Auditor of State

December 6, 2012

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INDEPENDENT AUDITORS' REPORT

Village Council
Village of Bloomdale
Wood County

We have audited the accompanying financial statements of the Village of Bloomdale, Wood County, Ohio, (the Village) as of and for the years ended December 31, 2011 and 2010. 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 reasonably assure 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 has prepared these financial statements using accounting practices the Auditor of State of Ohio prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2011 and 2010, GAAP requires presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State of Ohio permits, but does not require, governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State of Ohio permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, 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 Bloomdale, Wood County, as of December 31, 2011 and 2010, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As described in Note 2, during 2011, the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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The Government has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2012 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The image shows a handwritten signature in black ink that reads "Shullbrook & Manton". The script is cursive and elegant, with the ampersand being particularly stylized.

Certified Public Accountants

August 27, 2012

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, 2011

| | <u>Governmental Fund Types</u> | | | Total (Memorandum Only) |
|---|--------------------------------|----------------------------|-----------------------------|--|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash receipts:- | | | | |
| Property and other local taxes | \$ 29,712 | \$ 0 | \$ 0 | \$ 29,712 |
| Municipal income taxes | 92,656 | 0 | 0 | 92,656 |
| Intergovernmental | 48,659 | 132,945 | 0 | 181,604 |
| Charges for services | 31,319 | 0 | 0 | 31,319 |
| Fines, licenses, and permits | 224 | 0 | 0 | 224 |
| Earnings on investments | 525 | 0 | 0 | 525 |
| Miscellaneous | 13,887 | 0 | 0 | 13,887 |
| Total cash receipts | 216,982 | 132,945 | 0 | 349,927 |
| Cash disbursements:- | | | | |
| Current:- | | | | |
| Security of persons and property | 77,935 | 0 | 0 | 77,935 |
| Public health services | 362 | 0 | 0 | 362 |
| Leisure time activities | 22,080 | 0 | 0 | 22,080 |
| Transportation | 0 | 49,422 | 0 | 49,422 |
| General government | 80,996 | 0 | 0 | 80,996 |
| Capital outlay | 0 | 0 | 78,562 | 78,562 |
| Total cash disbursements | 181,373 | 49,422 | 78,562 | 309,357 |
| Total receipts over (under) cash disbursements | 35,609 | 83,523 | (78,562) | 40,570 |
| Other financing receipts (disbursements):- | | | | |
| Transfers-in | 0 | 0 | 41,266 | 41,266 |
| Transfers-out | (41,266) | 0 | 0 | (41,266) |
| Other financing sources | 0 | 0 | 0 | 0 |
| Total other financing receipts (disbursements) | (41,266) | 0 | 41,266 | 0 |
| Excess of cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements | (5,657) | 83,523 | (37,296) | 40,570 |
| Fund cash balances, January 1, 2011 | 5,684 | 108,479 | 47,644 | 161,807 |
| Fund cash balances, December 31, 2011 | | | | |
| Restricted | 0 | 192,002 | 10,348 | 202,350 |
| Assigned | 392 | 0 | 0 | 392 |
| Unassigned | (365) | 0 | 0 | (365) |
| Fund cash balances, December 31, 2011 | \$ 27 | \$ 192,002 | \$ 10,348 | \$ 202,377 |

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, 2011

| | Proprietary Fund Type | Fiduciary Fund Type | Total (Memorandum Only) |
|--|----------------------------------|--------------------------------|--|
| | Enterprise | Agency | |
| Operating Cash Receipts:- | | | |
| Charges for services | \$ 761,708 | \$ 44,716 | \$ 806,424 |
| Fines, license and permits | 0 | 96 | 96 |
| Earnings on investments | 49 | 0 | 49 |
| Miscellaneous | 8,874 | 0 | 8,874 |
| Total operating cash receipts | 770,631 | 44,812 | 815,443 |
| Operating Cash Disbursements:- | | | |
| Personal services | 122,189 | 0 | 122,189 |
| Contractual services | 546,051 | 42,470 | 588,521 |
| Supplies and materials | 43,390 | 0 | 43,390 |
| Capital outlay | 11,515 | 0 | 11,515 |
| Total operating cash disbursements | 723,145 | 42,470 | 765,615 |
| Operating income | 47,486 | 2,342 | 49,828 |
| Non-Operating Cash Receipts:- | | | |
| Intergovernmental receipts | 0 | 0 | 0 |
| Other non-operating receipts | 664 | 0 | 664 |
| Total non-operating cash receipts | 664 | 0 | 664 |
| Non-Operating Cash Disbursements:- | | | |
| Redemption of principal | 67,424 | 0 | 67,424 |
| Interest | 14,535 | 0 | 14,535 |
| Other non-operating disbursements | 6,086 | 0 | 6,086 |
| Total non-operating cash disbursements | 88,045 | 0 | 88,045 |
| Net receipts over (under) disbursements | (39,895) | 2,342 | (37,553) |
| Fund cash balances, January 1, 2011 | 178,433 | (2,769) | 175,664 |
| Fund cash balances, December 31, 2011 | \$ 138,538 | \$ (427) | \$ 138,111 |
| Reserve for encumbrances, December 31, 2011 | \$ 0 | \$ 0 | \$ 0 |

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, 2010

| | <u>Governmental Fund Types</u> | | | Total (Memorandum Only) |
|---|--------------------------------|----------------------------|-----------------------------|--|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash receipts:- | | | | |
| Property and other local taxes | \$ 32,536 | \$ 0 | \$ 0 | \$ 32,536 |
| Municipal income taxes | 74,331 | 0 | 0 | 74,331 |
| Intergovernmental | 34,588 | 46,447 | 0 | 81,035 |
| Charges for services | 31,557 | 0 | 0 | 31,557 |
| Fines, licenses, and permits | 864 | 0 | 0 | 864 |
| Earnings on investments | 641 | 139 | 0 | 780 |
| Miscellaneous | 3,772 | 119 | 0 | 3,891 |
| | <u>178,289</u> | <u>46,705</u> | <u>0</u> | <u>224,994</u> |
| Total cash receipts | 178,289 | 46,705 | 0 | 224,994 |
| Cash disbursements:- | | | | |
| Current:- | | | | |
| Security of persons and property | 57,555 | 0 | 0 | 57,555 |
| Public health services | 362 | 0 | 0 | 362 |
| Leisure time activities | 15,908 | 0 | 0 | 15,908 |
| Transportation | 0 | 39,754 | 0 | 39,754 |
| General government | 100,580 | 0 | 0 | 100,580 |
| Capital outlay | 0 | 0 | 14,000 | 14,000 |
| | <u>174,405</u> | <u>39,754</u> | <u>14,000</u> | <u>228,159</u> |
| Total cash disbursements | 174,405 | 39,754 | 14,000 | 228,159 |
| Total receipts over (under) cash disbursements | 3,884 | 6,951 | (14,000) | (3,165) |
| Other financing receipts (disbursements):- | | | | |
| Transfers-in | 0 | 0 | 31,004 | 31,004 |
| Transfers-out | (31,004) | 0 | 0 | (31,004) |
| Other financing sources / uses | 764 | (119) | 0 | 645 |
| | <u>(30,240)</u> | <u>(119)</u> | <u>31,004</u> | <u>645</u> |
| Total other financing receipts (disbursements) | (30,240) | (119) | 31,004 | 645 |
| Excess of cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements | (26,356) | 6,832 | 17,004 | (2,520) |
| Fund cash balances, January 1, 2010 | <u>32,040</u> | <u>101,647</u> | <u>30,640</u> | <u>164,327</u> |
| Fund cash balances, December 31, 2010 | <u>\$ 5,684</u> | <u>\$ 108,479</u> | <u>\$ 47,644</u> | <u>\$ 161,807</u> |
| Reserve for encumbrances, December 31, 2010 | <u>\$ 2,071</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 2,071</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 TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010

| | <u>Proprietary Fund Type</u> | <u>Fiduciary Fund Type</u> | <u>Total (Memorandum Only)</u> |
|--|----------------------------------|--------------------------------|--|
| | <u>Enterprise</u> | <u>Agency</u> | |
| Operating Cash Receipts:- | | | |
| Charges for services | \$ 791,256 | \$ 38,460 | \$ 829,716 |
| Fines, license and permits | 0 | 336 | 336 |
| Earnings on investments | 71 | 0 | 71 |
| Miscellaneous | 3,962 | 0 | 3,962 |
| Total operating cash receipts | 795,289 | 38,796 | 834,085 |
| Operating Cash Disbursements:- | | | |
| Personal services | 127,521 | 0 | 127,521 |
| Contractual services | 544,033 | 38,255 | 582,288 |
| Supplies and materials | 51,537 | 0 | 51,537 |
| Capital outlay | 9,626 | 0 | 9,626 |
| Total operating cash disbursements | 732,717 | 38,255 | 770,972 |
| Operating income | 62,572 | 541 | 63,113 |
| Non-Operating Cash Receipts:- | | | |
| Intergovernmental receipts | 19,000 | 0 | 19,000 |
| Other non-operating receipts | 1,279 | 0 | 1,279 |
| Total non-operating cash receipts | 20,279 | 0 | 20,279 |
| Non-Operating Cash Disbursements:- | | | |
| Redemption of principal | 103,437 | 0 | 103,437 |
| Interest | 21,116 | 0 | 21,116 |
| Other non-operating disbursements | 2,632 | 119 | 2,751 |
| Total non-operating cash disbursements | 127,185 | 119 | 127,304 |
| Net receipts over (under) disbursements | (44,334) | 422 | (43,912) |
| Fund cash balances, January 1, 2010 | 222,767 | (3,191) | 219,576 |
| Fund cash balances, December 31, 2010 | <u>\$ 178,433</u> | <u>\$ (2,769)</u> | <u>\$ 175,664</u> |
| Reserve for encumbrances, December 31, 2010 | <u>\$ 35,913</u> | <u>\$ 0</u> | <u>\$ 35,913</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, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

- A. **Description of the Entity** - The Village of Bloomdale, Wood County, Ohio, (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 electric, water and sewer utilities, park operations, police, fire, and emergency medical services. The Village appropriates general fund money to support a volunteer fire department and police department.

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

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

- C. **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.

- 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:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or accounted for 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, 2011 AND 2010**

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.

Sewer Fund

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

Electric Fund

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

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.

E. 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. 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 2011 and 2010 budgetary activity appears in Note 4.

VILLAGE OF BLOOMDALE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

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

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

G. 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 area 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 tat 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.

H. 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, 2011 AND 2010**

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLE:-

For fiscal year 2011, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a governmental is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on the fund balance of the Village's funds.

NOTE 3 - 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, 2011 and 2010 was as follows:

| | <u>2011</u> | <u>2010</u> |
|-------------------------|-------------------|-------------------|
| Demand deposits | \$ 102,465 | \$ 99,867 |
| Certificates of deposit | <u>238,023</u> | <u>237,604</u> |
| Total deposits | <u>\$ 340,488</u> | <u>\$ 337,471</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, 2011 AND 2010

NOTE 4 - BUDGETARY ACTIVITY :-

Budgetary activity for the year ending December 31, 2011 was as follows:

2011 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|------------------------------|----------------------------|--------------------------|
| General | \$ 164,797 | \$ 216,982 | \$ 52,185 |
| Special Revenue | 38,500 | 132,945 | 94,445 |
| Capital Projects | 30,000 | 41,266 | 11,266 |
| Proprietary | 770,000 | 771,295 | 1,295 |
| Fiduciary | <u>32,600</u> | <u>44,812</u> | <u>12,212</u> |
| Total | \$ <u>1,035,897</u> | \$ <u>1,207,300</u> | \$ <u>171,403</u> |

2011 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|------------------------------------|-----------------------------------|--------------------------|
| General | \$ 225,961 | \$ 223,031 | \$ 2,930 |
| Special Revenue | 178,491 | 49,422 | 129,069 |
| Capital Projects | 80,645 | 78,562 | 2,083 |
| Proprietary | 1,004,410 | 811,190 | 193,220 |
| Fiduciary | <u>39,188</u> | <u>42,470</u> | <u>(3,282)</u> |
| Total | \$ <u>1,528,695</u> | \$ <u>1,204,675</u> | \$ <u>324,020</u> |

Contrary to Ohio law, appropriations exceeded estimated resources during 2011 in all funds.

Contrary to Ohio law, appropriations exceeded actual resources during 2011 in the General Fund and in the Enterprise Funds.

VILLAGE OF BLOOMDALE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 4 - BUDGETARY ACTIVITY:- (continued)

Budgetary activity for the year ending December 31, 2010 was as follows:

2010 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|----------------------------|----------------------------|----------------------------|
| General | \$ 178,704 | \$ 179,053 | \$ 349 |
| Special Revenue | 45,889 | 46,705 | 816 |
| Capital Projects | 31,000 | 31,004 | 4 |
| Proprietary | 849,200 | 815,568 | (33,632) |
| Fiduciary | <u>29,144</u> | <u>38,796</u> | <u>9,652</u> |
| Total | \$ <u>1,133,937</u> | \$ <u>1,111,126</u> | \$ <u>(22,811)</u> |

2010 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|--------------------------------|-------------------------------|--------------------------|
| General | \$ 252,767 | \$ 207,480 | \$ 45,287 |
| Special Revenue | 158,879 | 39,873 | 119,006 |
| Capital Projects | 62,640 | 14,000 | 48,640 |
| Proprietary | 1,069,811 | 895,815 | 173,996 |
| Fiduciary | <u>36,998</u> | <u>38,374</u> | <u>(1,376)</u> |
| Total | \$ <u>1,581,095</u> | \$ <u>1,195,542</u> | \$ <u>385,553</u> |

Contrary to Ohio law, appropriations exceeded estimated resources during 2011 in all funds, except the enterprise funds.

Contrary to Ohio law, appropriations exceeded actual resources during 2011 in all funds.

**VILLAGE OF BLOOMDALE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE 5 - PROPERTY TAX:-

Real property taxes become a lien on January 1, preceding the October 1 date for which rates are adopted by the 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 semi-annual payments, the first half must be postmarked by February 24. The second half payment is due by the following July 14.

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.

Tangible personal property tax is being phased out.

NOTE 6 - 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.

NOTE 7 - DEBT:-

Debt outstanding at December 31, 2011 was as follows:

| | Rate | Principal Balance 12/31/2011 |
|---------------------------------------|-------------|---|
| Ohio Water Development Authority Loan | 2.00% | \$ 447,824 |
| Ohio Public Works Commission | 3.00% | 54,297 |
| Ohio Public Works Commission | 0.00% | 13,275 |
| | | \$ 515,396 |

During 2003, the Village entered into a loan agreement with the Ohio Water Development Authority (OWDA) for sewer plant construction. The original amount of the loan was \$492,808. The loans will be repaid in semiannual installments of \$42,619, including interest over 20 years and has an interest rate of 7.84%. This loan was approved for the interest subsidy program on May 29, 2003 to benefit local governments with outstanding loans that bear interest higher than 7%. The loan was effectively reduced from 7.84% to 7%, with the portion above 7% being paid by OWDA. The Village will realize a savings from the interest subsidy of \$20,258 over the remaining life of the loan after May, 2003. This loan was paid in full as of December 31, 2011.

**VILLAGE OF BLOOMDALE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE 7 - DEBT:- (continued)

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. As of December 31, 2011, the total outstanding balance on the loan was \$447,824.

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%. As of December 31, 2011, the total outstanding balance on the loan was \$54,297.

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. As of December 31, 2011, the total outstanding balance on the loan was \$13,275.

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

| Year ending December 31, | OWDA Loans | | OPWC Loans | | Total | |
|-----------------------------|-------------------|-------------------|------------------|-----------------|-------------------|-------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2012 | \$ 14,122 | \$ 8,805 | \$ 13,889 | \$ 1,532 | \$ 28,011 | \$ 10,337 |
| 2013 | 14,407 | 8,520 | 14,282 | 1,140 | 28,689 | 9,660 |
| 2014 | 14,698 | 8,229 | 14,686 | 736 | 29,384 | 8,965 |
| 2015 | 14,995 | 7,933 | 15,102 | 315 | 30,097 | 8,248 |
| 2016 | 15,298 | 7,630 | 915 | 0 | 16,213 | 7,630 |
| 2017 - 2021 | 81,246 | 33,392 | 4,577 | 0 | 85,823 | 33,392 |
| 2022 - 2026 | 89,783 | 24,855 | 4,121 | 0 | 93,904 | 24,855 |
| 2027 & thereafter | 203,275 | 20,416 | 0 | 0 | 203,275 | 20,416 |
| | <u>\$ 447,824</u> | <u>\$ 119,780</u> | <u>\$ 67,572</u> | <u>\$ 3,723</u> | <u>\$ 515,396</u> | <u>\$ 123,503</u> |

NOTE 8 - RETIREMENT SYSTEMS:-

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2011 and 2010, PERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries for 2011 and 2010. The Village has paid all contributions required through December 31, 2011.

**VILLAGE OF BLOOMDALE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE 9 - 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, 2010, PEP retained \$350,000 for casualty claims and \$150,000 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 retained earnings at December 31, 2010 and 2009 (the latest information available):

| | <u>2010</u> | | <u>2009</u> |
|-------------------|----------------------|-----------|-------------------|
| Assets | \$ 34,952,010 | \$ | 36,374,898 |
| Liabilities | (14,320,812) | (| 15,256,862) |
| Net Assets | \$ 20,631,198 | \$ | 21,118,036 |

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Government's share of these unpaid claims collectible in future years is approximately \$39,000.

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.

| <u>Contributions to PEP</u> | | |
|-----------------------------|----|--------|
| 2009 | \$ | 43,020 |
| 2010 | \$ | 40,495 |
| 2011 | \$ | 42,235 |

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.

VILLAGE OF BLOOMDALE
WOOD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 10 - SUBSEQUENT EVENTS:-

The Village evaluated subsequent events through August 27, 2012, the date which the financial statements were available to be issued.

During 2012, the Village sold their water system to Northwestern Water. Northwestern Water will take over all water debt of the Village and will complete all meter reading, billing, and collections at a fee to the Village.



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

Village Council
Village of Bloomdale
Wood County

We have audited the financial statements of the Village of Bloomdale, Wood County, (the Village) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated August 27, 2012, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Bloomdale's internal control over financial reporting as a basis for designing our auditing procedures for expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Bloomdale's internal control over financial reporting.

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 deficiencies in internal control such that there is a reasonable possibility that a material financial statement misstatement will not be prevented, or detected and timely corrected.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider to be a significant deficiency in internal control over financial reporting as item 2011-004. 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.

We did note certain internal control matters that we reported to the Village's management in a separate letter dated August 27, 2012.

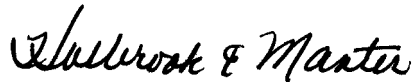
Compliance and Other Matters

As part of reasonably assuring whether Village of Bloomdale'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 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 audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2011-001, 2011-002, 2011-003, 2011-005 and 2011-006.

We also noted certain noncompliance or other matters that we reported to the Village's management in a separate letter dated August 27, 2012.

The Village of Bloomdale's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Village of Bloomdale's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, Board of Trustees, and the Auditor of State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

August 27, 2012

**VILLAGE OF BLOOMDALE
WOOD COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

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

| | |
|-----------------------|-----------------|
| Finding Number | 2011-001 |
|-----------------------|-----------------|

Noncompliance Citation – Blanket and Super Blanket Certificates

Ohio Revised Code, Section 5705.41 (D), states that Clerks may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members (effective September 26, 2004) of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The "blanket" certificates may, but need not, be limited to a specific vendor. Only one "blanket" certificate may be outstanding at one particular time for any one particular line item appropriation. In addition to regular "blanket" certificates, a subdivision's Clerk may also issue "super blanket" certificates for any amount for expenditures and contracts from a specific line-item appropriation account in a specified fund for most professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the fiscal year. More than one "super blanket" certificate may be outstanding at one particular time for a particular line-item appropriation account.

During expenditure testing, we noted that the Village does not establish the amount of "blanket" purchase orders through an ordinance or resolution. This compliance requirement is an important control tool that management can use to keep track of budgeted and actual expenditures. We recommend that Village Council set the maximum amount of the "blanket" purchase orders per appropriation account.

Officials' Response

The Village will work on correcting the findings and improve internal and compliance controls to address the issue.

| | |
|-----------------------|-----------------|
| Finding Number | 2011-002 |
|-----------------------|-----------------|

Noncompliance Citation – Amending Certificates of 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. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation. The total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation.

During our compliance testing, we noted that the Village did not amend estimated resources as outlined above. We recommend that the clerk monitor estimated resources throughout the year and obtain amendments from the county budget commission as necessary.

Officials' Response

The clerk and Village council will monitor estimated and actual receipts and amend them as needed.

**VILLAGE OF BLOOMDALE
WOOD COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

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

| | |
|-----------------------|-----------------|
| Finding Number | 2011-003 |
|-----------------------|-----------------|

Noncompliance Citation – Appropriations Exceeding Estimated Resources

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, 2011 and 2010, as outlined in Note 4 of the financial statements.

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.

| | |
|-----------------------|-----------------|
| Finding Number | 2011-004 |
|-----------------------|-----------------|

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.

The final item noted was the lack of organization and filing of the income tax returns submitted and retained on file. Of the returns selected for testing, the Village could not locate three of the returns and/or other adequate support for those receipts selected for testing during 2011 and 2010. Alternative procedures had to be performed for those receipts. Adequate documentation is a key element of an internal control system. This condition limits the control and accountability over Village assets and allows for the possibility of improper transactions to occur.

**VILLAGE OF BLOOMDALE
WOOD COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

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

| | |
|-----------------------|-----------------|
| Finding Number | 2011-004 |
|-----------------------|-----------------|

Significant Deficiency – Income Tax Internal Control and Review Procedures (continued)

We advise that all records be retained to support the Village’s operations and that all documentation be reviewed by Council. Village Council should carefully review this information and make appropriate inquiries to help determine the integrity of the financial information. When performing such review, the officials’ signatures or initials and the date should be affixed to the documents examined and it should be noted in the monthly minutes that the officials’ thoroughly reviewed and approved those documents. In addition, a list of delinquent accounts should be maintained on file and reviewed periodically by Council. Council should note whether the proper procedures are being followed for delinquent accounts and Council should also note that the procedures are being performed timely. Also, a master list of the account numbers and names of tax payers should be periodically reviewed and a copy of the master list should be maintained and available at the Village office.

Officials’ Response

Village Council will work with the Income Tax Administrator to establish formal review procedures to verify the accuracy and timely completion of the Village’s income tax revenue, and to create a master list of accounts and delinquencies that will be reviewed periodically by Council.

| | |
|-----------------------|-----------------|
| Finding Number | 2011-005 |
|-----------------------|-----------------|

Non Compliance Citation- Fund Deficit

Ohio Rev. Code Section 5705.10(H) provides that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. Auditor of State Bulletin 97-003 states that inter-fund cash advances may be a desirable method of resolving cash flow problems without the necessity of incurring additional interest expense for short-term loans and to provide the necessary "seed" for grants that are allocated on a reimbursement basis. The intent for cash advances is to require repayment within the current or succeeding year. Inter-fund cash advances are subject to the following requirements:

- 1) Any advance must be clearly labeled as such, and must be distinguished from a transfer. Transfers are intended to reallocate money permanently from one fund to another and may be made only as authorized in Sections 5705.14 to 5705.16 of the Revised Code. Advances, on the other hand, temporarily reallocate cash from one fund to another and involve an expectation of repayment;
- 2) In order to advance cash from one fund to another, there must be statutory authority to use the money in the fund advancing the cash (the "creditor" fund) for the same purpose for which the fund receiving the cash (the "debtor" fund) was established;
- 3) The reimbursement from the debtor fund to the creditor fund must not violate any restrictions on use of the money to be used to make the reimbursement; and
- 4) Advances must be approved by a formal resolution of the taxing authority of the subdivision which must include:
 - a. A specific statement that the transaction is an advance of cash, and
 - b. An indication of the money (fund) from which it is expected that repayment will be made.

**VILLAGE OF BLOOMDALE
WOOD COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

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

| | |
|-----------------------|-----------------|
| Finding Number | 2011-005 |
|-----------------------|-----------------|

Non Compliance Citation- Fund Deficit (continued)

Subsequent to year end, the Village has increased its refuse rates in an effort to eliminate the deficit balance in the Agency Fund.

The following funds were noted to have a deficit fund balance at December 31, 2011 and 2010:

| <u>Date</u> | <u>Fund</u> | <u>Amount</u> |
|-------------------|-------------|---------------|
| December 31, 2011 | Agency Fund | (\$427) |
| December 31, 2010 | Agency Fund | (\$2,769) |

Officials' Response

The Village council will better monitor fund balances to help prevent deficit balances in the future. Within the Agency fund the Village will adjust the rates when deemed necessary. The Village may also use cash advances to cover negative fund balances for temporary cash flow problems.

| | |
|-----------------------|-----------------|
| Finding Number | 2011-006 |
|-----------------------|-----------------|

Non Compliance Citation – Public Records Policy

Every public office must have a policy in place-for compliance with Public Records Laws. There are three specific items that public offices cannot have in their public records policies. They policy cannot: (1) limit the number of public records it will make available to a single person; (2) limit the number of public records it will make available during a fixed period of time; or (3) establish a fixed period of time before it will respond to a request for inspection/copying of public records unless that period is less than eight hours.

By September 29, 2007, all public offices were required to create a poster describing its public records policy. In addition, the public office is required to post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. Finally, if the public office has an employee policies and procedures manual or handbook, it is required that the public records policy be included in such manual or handbook.

Pursuant to Ohio Rev. Code 149.43(B)(2), the entity shall have available a copy of its current records retention schedule at a location readily available to the public. Any application or schedule for the destruction of records must be sent to the Ohio Historical Society for review to determine whether any of the records are of historical value [Ohio Rev. Code §149.39] Once reviewed by the Ohio Historical Society, the applications are then forwarded to the Ohio Auditor of State's Office for final approval. A model policy is available at www.ohioattorneygeneral.gov/files/Forms/Forms-for-Government.

During our compliance testing, it was noted that the Village had not implemented a public records policy or a records retention policy. We recommend that the above steps be taken to adopt the necessary formal policies and that they be posted where the public can see them.

Officials' Response

The Village will work on creating a policy and putting the policy into action.

VILLAGE OF BLOOMDALE
WOOD COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: |
|-----------------------|--|-------------------------|--|
| 2009-001 | Ohio Revised Code, Section 5705.41 (D) Blanket and Super Blanket certificates. | No | Not corrected and reissued as finding 2011-001. |
| 2009-002 | Ohio Revised Code, Section 5705.36 Amending estimated resources. | No | Not corrected and reissued as finding 2011-002. |
| 2009-003 | Ohio Revised Code, Section 5705.39 Appropriations exceeding estimated resources. | No | Not corrected and reissued as finding 2011-003. |
| 2009-004 | Significant Deficiency - Internal Control and Review Procedures. | No | Partially corrected and reissued as a management letter comment. |
| 2009-005 | Ohio Revised Code, Section 5705.10 (H) Fund Deficit. | No | Not corrected and reissued as finding 2011-005. |

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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
DECEMBER 20, 2012