



Dave Yost • Auditor of State

VILLAGE OF BLOOMVILLE
SENECA COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Bloomville, Seneca County, Ohio (the Village), as of and for the years ended December 31, 2014 and 2013.

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 opinion.

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles – (Continued)

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, 2014 and 2013, or changes in financial position or cash flows thereof 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 the Village of Bloomville, Seneca County, Ohio as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2015, 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

November 24, 2015

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$34,719	\$23,217	\$57,936
Intergovernmental	44,409	39,744	84,153
Charges for Services		7,216	7,216
Fines, Licenses and Permits	6,642	45	6,687
Earnings on Investments	369	1,648	2,017
Miscellaneous	10,170	1,778	11,948
<i>Total Cash Receipts</i>	96,309	73,648	169,957
Cash Disbursements			
Current:			
Security of Persons and Property	13,086	36,119	49,205
Leisure Time Activities	1,521	25,772	27,293
Basic Utility Services	11,088		11,088
Transportation	20,535	35,084	55,619
General Government	37,492		37,492
Capital Outlay		5,526	5,526
<i>Total Cash Disbursements</i>	83,722	102,501	186,223
<i>Excess of Receipts Over (Under) Disbursements</i>	12,587	(28,853)	(16,266)
Other Financing Receipts (Disbursements)			
Transfers In		15,000	15,000
Transfers Out	(15,000)		(15,000)
<i>Total Other Financing Receipts (Disbursements)</i>	(15,000)	15,000	
<i>Net Change in Fund Cash Balances</i>	(2,413)	(13,853)	(16,266)
<i>Fund Cash Balances, January 1</i>	119,606	312,105	431,711
Fund Cash Balances, December 31			
Restricted		298,252	298,252
Assigned	44,037		44,037
Unassigned	73,156		73,156
<i>Fund Cash Balances, December 31</i>	\$117,193	\$298,252	\$415,445

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

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$269,975
Miscellaneous	2,383
	272,358
Operating Cash Disbursements	
Personal Services	85,412
Employee Fringe Benefits	13,192
Contractual Services	119,623
Supplies and Materials	46,794
Claims	880
	265,901
<i>Operating Income</i>	6,457
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	3,384
Capital Outlay	(13,414)
Principal Retirement	(38,866)
Other Financing Uses	(2,546)
	(51,442)
<i>Net Change in Fund Cash Balances</i>	(44,985)
<i>Fund Cash Balances, January 1</i>	437,315
<i>Fund Cash Balances, December 31</i>	\$392,330

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

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$29,933	\$20,234	\$50,167
Intergovernmental	45,151	42,482	87,633
Charges for Services		2,561	2,561
Fines, Licenses and Permits	6,860	60	6,920
Earnings on Investments	496	1,573	2,069
Miscellaneous	9,757	1,174	10,931
	<u>92,197</u>	<u>68,084</u>	<u>160,281</u>
<i>Total Cash Receipts</i>			
Cash Disbursements			
Current:			
Security of Persons and Property	10,504	43,958	54,462
Public Health Services	1,523		1,523
Leisure Time Activities		61,272	61,272
Basic Utility Services	7,166		7,166
Transportation	20,083	21,811	41,894
General Government	48,061		48,061
	<u>87,337</u>	<u>127,041</u>	<u>214,378</u>
<i>Total Cash Disbursements</i>			
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,860</u>	<u>(58,957)</u>	<u>(54,097)</u>
Other Financing Receipts (Disbursements)			
Transfers In		36,000	36,000
Transfers Out	(37,136)		(37,136)
	<u>(37,136)</u>	<u>36,000</u>	<u>(1,136)</u>
<i>Total Other Financing Receipts (Disbursements)</i>			
<i>Net Change in Fund Cash Balances</i>	<u>(32,276)</u>	<u>(22,957)</u>	<u>(55,233)</u>
<i>Fund Cash Balances, January 1</i>	<u>151,882</u>	<u>335,062</u>	<u>486,944</u>
Fund Cash Balances, December 31			
Restricted		312,105	312,105
Assigned	41,490		41,490
Unassigned	78,116		78,116
	<u>\$119,606</u>	<u>\$312,105</u>	<u>\$431,711</u>
<i>Fund Cash Balances, December 31</i>			

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

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$250,878
Miscellaneous	1,040
	<hr/>
<i>Total Operating Cash Receipts</i>	251,918
	<hr/>
Operating Cash Disbursements	
Personal Services	79,950
Employee Fringe Benefits	12,435
Contractual Services	45,431
Supplies and Materials	15,310
	<hr/>
<i>Total Operating Cash Disbursements</i>	153,126
	<hr/>
<i>Operating Income</i>	98,792
	<hr/>
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	1,815
Capital Outlay	(6,189)
Principal Retirement	(76,560)
Other Financing Uses	(1,408)
	<hr/>
<i>Total Non-Operating Receipts (Disbursements)</i>	(82,342)
	<hr/>
<i>Income before Transfers</i>	16,450
	<hr/>
Transfers In	1,136
	<hr/>
<i>Net Change in Fund Cash Balances</i>	17,586
	<hr/>
<i>Fund Cash Balances, January 1</i>	419,729
	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$437,315</u>

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, 2014 AND 2013**

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 Bloomville, Seneca County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services.

The Village participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity. This organization is:

Public Entity Risk Pool:

Ohio Plan Risk Management, Inc. (OPRM) - A non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments.

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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits and Investments

The Village's accounting basis includes investments as assets. The 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.

STAR Ohio is recorded at share values reported by the State Treasurer.

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.

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. Summary of Significant Accounting Policies – (Continued)

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:

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

Police Fund – This fund receives property tax for law enforcement services for the Village.

Park and Recreation Fund – This fund receives property tax and charges for services from public pool.

3. Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer costs.

Debt Service Fund - This fund receives charges for services from residents to retire debt for the waste water plant expansion. A utility surcharge recorded in this fund will repay this loan.

E. Budgetary Process

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

1. Appropriations

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

VILLAGE OF BLOOMVILLE
SENECA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)

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

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 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 to be re-appropriated.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

F. **Fund Balance**

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.

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.

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. Summary of Significant Accounting Policies – (Continued)

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 investment 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:

	2014	2013
Demand deposits	\$419,422	\$437,128
Certificates of deposit	227,160	270,759
Cash on Hand	200	200
Total deposits	646,782	708,087
 STAR Ohio	 160,993	 160,939
Total deposits and investments	\$807,775	\$869,026

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

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$94,865	\$96,309	\$1,444
Special Revenue	103,940	88,648	(15,292)
Enterprise	272,700	275,742	3,042
Total	\$471,505	\$460,699	(\$10,806)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$136,355	\$99,988	\$36,367
Special Revenue	154,540	103,741	50,799
Enterprise	506,882	403,850	103,032
Total	\$797,777	\$607,579	\$190,198

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$114,600	\$92,197	(\$22,403)
Special Revenue	123,597	104,084	(19,513)
Enterprise	251,050	254,869	3,819
Total	\$489,247	\$451,150	(\$38,097)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$161,390	\$126,415	\$34,975
Special Revenue	241,397	128,280	113,117
Enterprise	424,925	320,341	104,584
Total	\$827,712	\$575,036	\$252,676

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.

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

4. Property Tax – (Continued)

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. Debt

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$800,601	0%
Ohio Public Works Commission Loan	64,456	0%
Total	\$865,057	

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$1,460,877 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$32,797 over 20 years. Since 2006, the Village had not used \$148,978 of the approved loan. In 2014, the OWDA approved adjusting the loan to remove the additional \$148,978 from the loan and the amortization schedule below. The new total value of this loan is \$1,311,900. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan relates to the North Prospect and Railroad Street waterline. The OPWC approved by to \$99,573 in loans to the Village for this project. The Village only used \$70,316 of the loan. The Village will repay the loan in semiannual investments of \$1,172 over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

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

Year ending December 31:	OWDA Loan	OPWC Loan
2015	\$46,250	\$2,344
2016	65,595	2,344
2017	65,595	2,344
2018	65,595	2,344
2019	65,595	2,344
2020-2024	327,975	11,719
2025-2029	163,996	11,719
2030-2034		11,719
2035-2039		11,719
2040-2044		5,860
Total	\$800,601	\$64,456

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

6. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2014.

7. Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), 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 Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

7. Risk Management – (Continued)

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2013 and 2014.

	2013	2014
Assets	\$13,774,304	\$14,830,185
Liabilities	(7,968,395)	(8,942,504)
Members' Equity	\$5,805,909	\$5,887,681

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

8. Interfund Transfers

During 2014, the village approved the following transfers:

Transfers from the General Fund to:	
Police Fund	\$15,000

During 2013, the village approved the following transfers:

Transfers from the General Fund to:	
Police	\$36,000
Water Fund	535
Sewer Fund	115
Sewer Reserve Fund	168
Sewer Debt Fund	318

9. Miscellaneous Receipts

General Fund Miscellaneous receipts consist largely of trash bag sales to residents.

10. Contingency

The Village has been notified by the Ohio EPA that they are in violation of their NPDES permit due to exceeding effluent limitations. The village is working on plans to correct this problem by doing improvements to their lagoon. The costs of these improvements have yet to be determined.



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 Bloomville
Seneca County
10 Beeghly Avenue
Bloomville, Ohio 43818-9221

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Bloomville, Seneca County, Ohio (the Village), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated November 24, 2015 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-1-03(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 opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the 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. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

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*.

Entity's Response to Findings

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

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.



Dave Yost
Auditor of State
Columbus, Ohio

November 24, 2015

**VILLAGE OF BLOOMVILLE
SENECA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

Material Weakness

Financial Reporting

The Village's management is responsible for the fair presentation of the financial statements. In addition, receipts and disbursements budgeted by Council and approved by the Budget Commission should agree to the budgeted receipts and disbursements posted to the accounting system and budgetary note. Errors were noted in the financial statements resulting in the following significant audit adjustments:

- Charges for service receipts in the Enterprise fund of \$68,595 in 2013 and \$69,201 in 2014 were improperly accounted for as miscellaneous receipts.
- Appropriations posted to the accounting system and budgetary notes in the Enterprise Debt Service fund did not agree to the approved amounts by \$18,900 in 2014.

Additional errors were noted in smaller relative amounts. These errors were a result of inadequate policies and procedures in reviewing the financial statements. The accompanying financial statements have been adjusted to correct these errors, or they were included on the summary of unadjusted differences. To ensure the Village's financial statements and notes to the statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the annual report by Council and the audit committee to identify and correct errors and misclassifications.

Officials' Response:

We acknowledge errors were made and will properly post these transactions in the future.

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VILLAGE OF BLOOMVILLE
SENECA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Material weakness in financial reporting due to errors in financial statements.	No	Not corrected and repeated as Finding Number 2014-001 in this report.

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Dave Yost • Auditor of State

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
DECEMBER 10, 2015