



Dave Yost • Auditor of State



VILLAGE OF BLOOMDALE  
WOOD COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Bloomdale  
Wood County  
206 Vine Street, P.O. Box 186  
Bloomdale, Ohio 44847

To the Village Council:

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

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

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 2C of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38

and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2015 and 2014, or changes in financial position 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 Bloomdale, Wood County, Ohio, as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2C.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2017, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

January 3, 2017

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$42,841			\$42,841
Municipal Income Taxes	101,663			101,663
Intergovernmental	70,688	\$33,734	\$5,980	110,402
Charges for Services	19,349			19,349
Fines, Licenses and Permits	9,197			9,197
Earnings on Investments	60			60
Miscellaneous	1,745	812		2,557
<i>Total Cash Receipts</i>	<u>245,543</u>	<u>34,546</u>	<u>5,980</u>	<u>286,069</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	75,675	2,440		78,115
Public Health Services	339			339
Leisure Time Activities	10,618	195		10,813
Transportation		26,899		26,899
General Government	79,687			79,687
Capital Outlay	45,100		27,007	72,107
<i>Total Cash Disbursements</i>	<u>211,419</u>	<u>29,534</u>	<u>27,007</u>	<u>267,960</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>34,124</u>	<u>5,012</u>	<u>(21,027)</u>	<u>18,109</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers-In			50,832	50,832
Transfers-Out	(50,832)			(50,832)
<i>Total Other Financing Receipts/(Disbursements)</i>	<u>(50,832)</u>		<u>50,832</u>	
<i>Net Change in Fund Cash Balances</i>	<u>(16,708)</u>	<u>5,012</u>	<u>29,805</u>	<u>18,109</u>
<i>Fund Cash Balances, January 1</i>	<u>52,985</u>	<u>114,759</u>	<u>49,685</u>	<u>217,429</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		119,771	79,490	199,261
Assigned	27,189			27,189
Unassigned	9,088			9,088
<i>Fund Cash Balances, December 31</i>	<u>\$36,277</u>	<u>\$119,771</u>	<u>\$79,490</u>	<u>\$235,538</u>

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

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$493,354	\$49,843	\$543,197
<b>Operating Cash Disbursements</b>			
Personal Services	56,768		56,768
Employee Fringe Benefits	13,794		13,794
Contractual Services	433,707	49,038	482,745
Supplies and Materials	48,782		48,782
Other	3,543	339	3,882
<i>Total Operating Cash Disbursements</i>	<u>556,594</u>	<u>49,377</u>	<u>605,971</u>
<i>Operating Income (Loss)</i>	<u>(63,240)</u>	<u>466</u>	<u>(62,774)</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Intergovernmental	62,313		62,313
Earnings on Investments	2		2
Sale of Capital Assets	4,000		4,000
Capital Outlay	(86,575)		(86,575)
Other Financing Sources	25,887		25,887
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>5,627</u>		<u>5,627</u>
<i>Net Change in Fund Cash Balances</i>	<u>(57,613)</u>	<u>466</u>	<u>(57,147)</u>
<i>Fund Cash Balances, January 1</i>	<u>462,412</u>	<u>8,515</u>	<u>470,927</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$404,799</u></u>	<u><u>\$8,981</u></u>	<u><u>\$413,780</u></u>

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



**VILLAGE OF BLOOMDALE  
WOOD 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	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$47,286			\$47,286
Municipal Income Taxes	97,874			97,874
Intergovernmental	48,119	\$33,169		81,288
Charges for Services	18,149			18,149
Fines, Licenses and Permits	2,125			2,125
Earnings on Investments	131			131
Miscellaneous	8,365	1,391		9,756
<i>Total Cash Receipts</i>	<u>222,049</u>	<u>34,560</u>		<u>256,609</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	50,430	12,444		62,874
Public Health Services	339			339
Leisure Time Activities	11,120	1,917		13,037
Transportation		23,642		23,642
General Government	70,188			70,188
Capital Outlay	33,272	4,820	\$7,100	45,192
<i>Total Cash Disbursements</i>	<u>165,349</u>	<u>42,823</u>	<u>7,100</u>	<u>215,272</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>56,700</u>	<u>(8,263)</u>	<u>(7,100)</u>	<u>41,337</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers-In			49,089	49,089
Transfers-Out	(49,089)			(49,089)
<i>Total Other Financing Receipts/(Disbursements)</i>	<u>(49,089)</u>		<u>49,089</u>	
<i>Net Change in Fund Cash Balances</i>	7,611	(8,263)	41,989	41,337
<i>Fund Cash Balances, January 1</i>	<u>45,374</u>	<u>123,022</u>	<u>7,696</u>	<u>176,092</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		114,759	49,685	164,444
Assigned	21,366			21,366
Unassigned	31,619			31,619
<i>Fund Cash Balances, December 31</i>	<u><u>\$52,985</u></u>	<u><u>\$114,759</u></u>	<u><u>\$49,685</u></u>	<u><u>\$217,429</u></u>

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

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$785,581	\$47,416	\$832,997
Fines, Licenses and Permits		702	702
Miscellaneous	1,364		1,364
<i>Total Operating Cash Receipts</i>	<u>786,945</u>	<u>48,118</u>	<u>835,063</u>
<b>Operating Cash Disbursements</b>			
Personal Services	82,377		82,377
Contractual Services	535,102	43,474	578,576
Supplies and Materials	24,022		24,022
Other	4,332		4,332
<i>Total Operating Cash Disbursements</i>	<u>645,833</u>	<u>43,474</u>	<u>689,307</u>
<i>Operating Income</i>	<u>141,112</u>	<u>4,644</u>	<u>145,756</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Intergovernmental	21,360		21,360
Earnings on Investments	9		9
Capital Outlay	(29,647)		(29,647)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(8,278)</u>		<u>(8,278)</u>
<i>Net Change in Fund Cash Balances</i>	132,834	4,644	137,478
<i>Fund Cash Balances, January 1</i>	<u>329,578</u>	<u>3,871</u>	<u>333,449</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$462,412</u></u>	<u><u>\$8,515</u></u>	<u><u>\$470,927</u></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, 2015 AND 2014**

**1. REPORTING ENTITY**

The Village of Bloomdale, Wood County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides electric utilities and police services. Village residents receive water and sewer services from Northwest Water and Sewer District, which performs the billing and collection of these charges for services. The Village appropriates general fund money to support a volunteer fire department.

The Village participates in one jointly governed organization and the Public Entities Pool of Ohio, a public entity risk pool. Notes 7, 10, and 11 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organization:

AMP-Ohio provides electric utilities to the Village.

Public Entity Risk Pool:

The Public Entities Pool of Ohio is available to public entities in Ohio and provides property and casualty coverage for its members.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

**B. Fund Accounting**

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

**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 – The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance,

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

and repair of streets within the Village.

Police Drug Fund - This fund receives revenue from seized monies as a result of drugs confiscated.

**3. Capital Project Funds**

This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Capital Improvement Fund - The capital improvement fund receives transfers from the General Fund. The proceeds are used for capital improvements, which have the life expectancy of 5 years or more from the time of purchase.

**4. 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 Fund:

Electric Fund - This fund receives charges for services from residents to cover electric service costs.

**5. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for contracted collections and remittance to a refuse collector.

**C. Basis of Accounting**

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 Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

**D. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) 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. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2015 and 2014 budgetary activity appears in Note 4.

**E. Capital Assets**

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

**F. 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.

**G. 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.

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

**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.

**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.

**3. COMPLIANCE**

Contrary to Ohio law the Village posted monies to incorrect funds in 2015 and 2014.

**4. BUDGETARY ACTIVITY**

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

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$219,825	\$245,543	\$25,718
Special Revenue	40,075	34,546	(5,529)
Capital Projects	49,500	56,812	7,312
Enterprise	676,703	585,556	(91,147)
Total	\$986,103	\$922,457	(\$63,646)

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$268,109	\$262,251	\$5,858
Special Revenue	162,920	29,534	133,386
Capital Projects	99,186	27,007	72,179
Enterprise	1,102,982	643,169	459,813
Total	<u>\$1,633,197</u>	<u>\$961,961</u>	<u>\$671,236</u>

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$197,000	\$222,049	\$25,049
Special Revenue	43,800	34,560	(9,240)
Capital Projects	35,000	49,089	14,089
Enterprise	796,000	808,314	12,314
Total	<u>\$1,071,800</u>	<u>\$1,114,012</u>	<u>\$42,212</u>

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$244,322	\$214,438	\$29,884
Special Revenue	169,029	42,823	126,206
Capital Projects	42,697	7,100	35,597
Enterprise	1,076,805	675,480	401,325
Total	<u>\$1,532,853</u>	<u>\$939,841</u>	<u>\$593,012</u>

**5. DEPOSITS**

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

	<u>2015</u>	<u>2014</u>
Demand deposits	\$410,493	\$449,548
Money Markets	238,725	238,708
Total deposits	<u>649,218</u>	<u>688,256</u>
Cash on hand	100	100
Total deposits and cash on hand	<u>\$649,318</u>	<u>\$688,356</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

**6. TAXES**

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

**A. Property Taxes**

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

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

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

**B. 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 the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**7. RISK MANAGEMENT**

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

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

The Village 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. 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 York. 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, 2015, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2014 and



**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

2015:

	<u>2014</u>	<u>2015</u>
Assets	\$35,402,177	\$38,307,677
Liabilities	(12,363,257)	(12,759,127)
Net Position	<u>\$23,038,920</u>	<u>\$25,548,550</u>

At December 31, 2014 and 2015, respectively, the liabilities above include approximately 11.1 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11.0 million of unpaid claims to be billed. The Pool's membership increased from 488 members in 2014 to 499 members in 2015. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Village's share of these unpaid claims collectible in future years is approximately \$22,000.

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>	
<u>2014</u>	<u>2015</u>
\$33,934	\$34,435

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.

**8. DEFINED BENEFIT PENSION PLAN**

The Village's officials and 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. 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, 2015.

**9. DEBT**

In 2012, the Village entered into an agreement with the Northwestern Water and Sewer District (the District) to transfer the water and sewer system and all operations to the District from the Village. In August 2012, the system and all current operations were transferred over to the District. Then, in

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

January 2013, the Village transferred all cash fund balances in the Water Fund and Sewer Fund to the District, at which time, Northwestern Water and Sewer District assumed all responsibility for the outstanding debt related to the Village's Water and Sewer with the Ohio Water Development Authority and the Ohio Public Works Commission.

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

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

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

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

**10. COMBINED HYDROELECTRIC PROJECTS (79 MEMBERS)**

AMP is currently developing three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the "Combined Hydroelectric Projects"), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects entails the installation of run-of-the-river hydroelectric generating facilities on existing United States Army Corps of Engineers' dams and includes associated transmission facilities. The Combined Hydroelectric Projects, including associated transmission facilities, will be constructed and operated by AMP. AMP holds the licenses from FERC for the Combined Hydroelectric Projects. AMP received the last of the material permits needed to begin construction on the Cannelton hydroelectric facility and Smithland hydroelectric facility, respectively in 2009. Ground breaking ceremonies were held for Cannelton on August 25, 2009 and for Smithland on September 1, 2010. AMP received the last of the material permits for the Willow Island hydroelectric facility in the last quarter of 2010 and ground breaking ceremonies took place on July 21, 2011.

All major contracts for the projects which include the turbines, the powerhouse construction, the powerhouse gates, the powerhouse cranes, and the transformers have been awarded for the Cannelton, Smithland, and Willow Island facilities. And property right-of-way acquisitions for the transmission lines have been completed for all three projects.

On February 12, 2015, AMP reached agreement with Barnard Construction Company, Inc. ("Barnard") to serve as the replacement powerhouse contractor on AMP's Smithland Hydroelectric Project ("Smithland Project"), which is one of the three projects constituting the Combined

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

Hydroelectric Projects replacing C.J. Mahan whose contract was terminated by mutual agreement between AMP and C.J. Mahan. Barnard is a highly experienced hydropower construction contractor. AMP and Barnard are working together to achieve an orderly transition of the Smithland Project from the prior powerhouse contractor. Nearly all of the subcontractors currently working on the Smithland Project have been retained. The Project Engineer, MWH Americas, Inc., all owner furnished equipment suppliers and all other prime contractors remain in place.

AMP now projects that the Combined Hydroelectric Projects are expected to enter into commercial operation as follows: Willow Island (2 Units) – first unit and second unit are currently in commercial operation, Cannelton (3 Units) – first and second units are currently in commercial operation and the third unit in May 2016; Smithland (3 Units) – first unit in September 2016 and second in October 2016 and third unit in November 2016.

Please note that these projected commercial operation dates set forth above are, and the other information herein is, subject to change and are dependent on a number of factors affecting each Project's overall remaining construction schedule, including weather. As a result, the commercial operation dates may occur earlier or later than the time frames set forth above.

To provide financing for the Combined Hydroelectric Projects, in 2009 and 2010 AMP has issued in seven series \$2,045,425,000 of its Combined Hydroelectric Projects Revenue Bonds (the "Combined Hydroelectric Bonds"), consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). As of December 31, 2015 the total outstanding Hydro Project debt on AMP's books was approximately \$2,017,829,118. The Combined Hydroelectric Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members.

The Village of Bloomdale has executed a take-or-pay power sales contract with AMP for a Project Share of 100 kW or 0.05% of capacity and associated energy from the hydro facilities.

**11. PRAIRIE STATE ENERGY CAMPUS (68 MEMBERS)**

On December 20, 2007, AMP acquired 368,000kW or an effective 23.26% undivided ownership interest (the "*PSEC Ownership Interest*") in the Prairie State Energy Campus ("PSEC"), a planned 1,600 MW coal-fired power plant and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company ("*AMP 368 LLC*"). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007.

On June 12, 2012, Unit 1 of the PSEC began commercial operation and on November 2, 2012 Unit 2 of the PSEC began commercial operation.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the "*Prairie State Power Sales Contract*") with 68 Members (the "*Prairie State Participants*"). The Prairie State Power Sales Contract is, in all material respects, comparable to the Power Sales Contract for the Project. The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract.

AMP's share of the total Project costs, including AMP's share of PSEC capital improvements through 2016, resulted in the issuance by AMP of approximately \$1.697 billion of debt. These costs include (i) AMP's costs of acquisition of its Ownership Interest and its share of the cost of construction of the PSEC, including an allowance for contingencies, (ii) capitalized interest during

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

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

and after the scheduled in service dates of the two PSEC Units, (iii) costs of issuance associated with both the interim and long-term financing for the Project and (iv) deposits to the Parity Common Reserve Account for the Bonds issued to permanently finance the Project. As of December 31, 2015 the outstanding debt associated with the Prairies State project on AMP's books was \$1,590,590,000.

The Village of Bloomdale has executed a take-or-pay power sales contract with AMP for a Project Share of 199 kW or 0.05% kW of capacity and associated energy from the Prairie State facility.

**12. CONTINGENT LIABILITIES**

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

**13. RELATED PARTY TRANSACTIONS**

A Village Council member's mother is an independent contractor performing custodial services to the Village.

**14. SUBSEQUENT EVENTS**

On November 8, 2016, the Village residents passed a 1.3 mill renewal tax levy for the benefit of the Village of Bloomdale for the purpose of current expenses for five (5) years, commencing in 2016, first due in calendar year 2017.



# 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 Bloomdale  
Wood County  
206 Vine Street, P.O. Box 186  
Bloomdale, Ohio 44847

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Village of Bloomdale, Wood County, Ohio, (the Village) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated January 3, 2017 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2015-001 and 2015-002 to be material weaknesses.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our

audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-001.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

January 3, 2017

**VILLAGE OF BLOOMDALE  
WOOD COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2015-001**

**Material Weakness and Noncompliance Citation**

**Ohio Rev. Code § 5705.10(D)** requires all revenue derived from a source other than general property tax, and which the law prescribes shall be used for a particular purpose, to be paid into a special fund for such purpose.

- In 2014, homestead/rollback and liquor permit receipts were credited to the Street Construction, Maintenance, and Repair (SCMR) fund and state highway fund instead of the general fund in the amounts of \$5,439 and \$441, respectively.
- In 2015, homestead/rollback and liquor permit receipts were credited to the SCMR and state highway fund instead of the general fund in the amounts of \$5,340 and \$433, respectively.
- Utility deposit receipts were credited to the general fund instead of the electric fund in the amounts of \$1,200 and \$550 in 2015 and 2014, respectively.
- In 2014, state highway distribution receipts were credited to the permissive tax fund instead of the SCMR and state highway funds in the amounts of \$585 and \$47, respectively.

The above errors were the result of insufficient monitoring by management. The accompanying financial statements and the Village's accounting records were adjusted to reflect the activity above in the appropriate funds.

Accurate financial reporting is the responsibility of the Clerk-Treasurer and Village Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

Financial activity should be properly reported in the accounting ledgers so management can better assess whether or not financial goals are being met on an ongoing basis. As part of the monitoring process, management should review its records to make sure all amounts are properly reflected in the appropriate funds.

**FINDING NUMBER 2015-002**

**Material Weakness – Monitoring Village Financial Activity**

Accurate financial reporting is the responsibility of the Clerk-Treasurer and Village Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. Various transactions were improperly classified in 2015 and 2014 due to insufficient monitoring by management. The financial statements have been adjusted to reflect reclassifications as follows:

- Local government receipts were credited as property tax revenue instead of intergovernmental revenue in the general fund in the amount of \$14,993 in 2015.
- Electronic kilowatt-hour tax receipts were credited as charges for service revenue instead of property tax revenue in the general fund in the amounts of \$15,108 and \$19,796 in 2015 and 2014, respectively.
- Governmental Accounting Standards Board (GASB) Statement No. 54 defined how fund balances were to be classified and was codified, in part, as follows: GASB Cod. 1800.176 requires reporting subsequent year appropriations in excess of expected revenues as Assigned.

- The General Fund balance of \$27,189 was incorrectly classified as Unassigned instead of Assigned in 2015
- The General Fund balance of \$21,366 was incorrectly classified as Unassigned instead of Assigned in 2014.
- In 2015, community development block grant monies were received and spent on-behalf of the Village in the amount of \$5,980 and were not posted to the capital projects fund.
- In 2014, a car camera was purchased in the amount of \$4,820 and was posted as security of persons and property instead of capital outlay in the police drug fund.
- In 2015 and 2014, the beginning fund balances were not in agreement with the prior year ending fund balances as follows:

Fund	Adjustment to Fund Balance
General Fund	(\$2,404)
SCMR Fund	(1,541)
State Highway Fund	(666)
EMS Fund	4,401
Refuse Fund	210

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Clerk-Treasurer should post all transactions in accordance with the guidance established by the Ohio Village Officers' Handbook issued by the Auditor of State and Council should adopt procedures for reviewing the financial statements for accuracy.

**Officials' Response:**

We did not receive a response from Officials to the findings reported above.



VILLAGE OF BLOOMDALE  
WOOD COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015 AND 2014

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2013-001	Ohio Rev. Code §§ 5705.36 and .39 for appropriations exceeding estimated resources.	Fully corrected.	
2013-002	Significant Deficiency – Income Tax Internal Control and Review Procedures.	Fully corrected.	

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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  
JANUARY 19, 2017