

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY, OHIO**

***BASIC FINANCIAL STATEMENTS
(AUDITED)***

**FOR THE YEARS ENDED DECEMBER
31, 2016 AND 2015**

LORIE JOHNSON, FISCAL OFFICER



Dave Yost • Auditor of State

Village Council
Village of Bloomingburg
62 Main Street
Bloomingburg, Ohio 43106

We have reviewed the *Independent Auditor's Report* of the Village of Bloomingburg, Fayette County, prepared by Lindholm + Company, for the audit period January 1, 2015 through December 31, 2016. 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.

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 Bloomingburg is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 5, 2017

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VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY

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Independent Auditor's Report

Village of Bloomingburg
Fayette County
62 Main Street
Bloomingburg, Ohio 43106

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 Village of Bloomingburg, Fayette County, Ohio (the Village) as of and for the years ended December 31, 2016 and 2015.

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 express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As described in Note 1 of the financial statements, the financial statements are prepared by Village of Bloomingburg on the basis of accounting practices prescribed or permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 each fund of the Village as of December 31, 2016 and 2015, or changes in financial position or cash flows thereof for the year 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 Bloomingburg, Fayette County as of December 31, 2016 and 2015, and their respective cash receipts and disbursements for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2017 on our consideration of Village of Bloomingburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Village of Bloomingburg's internal control over financial reporting and compliance.

LINDHOLM + COMPANY

Lindholm + Company
Worthington, Ohio

July 5, 2017

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 39,745	\$ 905	\$ 40,650
Intergovernmental	35,514	38,569	74,083
Special Assessments	6,479	16,945	23,424
Charges for Services	9,172	-	9,172
Fines, Licenses and Permits	6,107	-	6,107
Earnings on Investments	871	275	1,146
Miscellaneous	16,216	-	16,216
<i>Total Cash Receipts</i>	<u>114,104</u>	<u>56,694</u>	<u>170,798</u>
Cash Disbursements			
Current:			
Security of Persons and Property	13,263	17,702	30,965
Public Health Services	235	-	235
Leisure Time Activities	1,050	-	1,050
Basic Utility Services	238	781	1,019
Transportation	-	43,542	43,542
General Government	43,318	1,824	45,142
Capital Outlay	2,062	-	2,062
<i>Total Cash Disbursements</i>	<u>60,166</u>	<u>63,849</u>	<u>124,015</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>53,938</u>	<u>(7,155)</u>	<u>46,783</u>
Other Financing Receipts (Disbursements)			
Transfers In	-	1,000	1,000
Transfers Out	(1,000)	-	(1,000)
Advances In	1,456	1,456	2,912
Advances Out	(1,456)	(1,456)	(2,912)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,000)</u>	<u>1,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	52,938	(6,155)	46,783
<i>Fund Cash Balances, January 1</i>	<u>34,961</u>	<u>102,382</u>	<u>137,343</u>
Fund Cash Balances, December 31			
Restricted	-	96,227	96,227
Unassigned (Deficit)	87,899	-	87,899
<i>Fund Cash Balances, December 31</i>	<u>\$ 87,899</u>	<u>\$ 96,227</u>	<u>\$ 184,126</u>

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

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Proprietary Fund Types	
	Enterprise	
Operating Cash Receipts		
Charges for Services	\$	398,203
Miscellaneous		8,797
		407,000
<i>Total Operating Cash Receipts</i>		407,000
Operating Cash Disbursements		
Personal Services		42,206
Employee Fringe Benefits		6,628
Contractual Services		126,415
Supplies and Materials		24,216
Other		8,146
		207,611
<i>Total Operating Cash Disbursements</i>		207,611
<i>Operating Income (Loss)</i>		199,389
Non-Operating Receipts (Disbursements)		
Capital Outlay		(1,590)
Principal Retirement		(145,576)
Interest and Other Fiscal Charges		(4,523)
		(151,689)
<i>Total Non-Operating Receipts (Disbursements)</i>		(151,689)
<i>Net Change in Fund Cash Balances</i>		47,700
<i>Fund Cash Balances, January 1</i>		215,013
<i>Fund Cash Balances, December 31</i>	\$	262,713

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

**VILLAGE OF BLOOMINGBURG
FAYETTE 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	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 41,297	\$ -	\$ 41,297
Intergovernmental	29,419	40,582	70,001
Special Assessments	694	16,717	17,411
Charges for Services	8,934	-	8,934
Fines, Licenses and Permits	6,869	-	6,869
Earnings on Investments	629	232	861
Miscellaneous	1,520	1,145	2,665
	<hr/>	<hr/>	<hr/>
<i>Total Cash Receipts</i>	89,362	58,676	148,038
	<hr/>	<hr/>	<hr/>
Cash Disbursements			
Current:			
Security of Persons and Property	6,053	16,205	22,258
Public Health Services	269	-	269
Leisure Time Activities	895	24	919
Basic Utility Services	558	971	1,529
Transportation	-	21,895	21,895
General Government	49,874	4,573	54,447
Capital Outlay	963	-	963
	<hr/>	<hr/>	<hr/>
<i>Total Cash Disbursements</i>	58,612	43,668	102,280
	<hr/>	<hr/>	<hr/>
<i>Excess of Receipts Over (Under) Disbursements</i>	30,750	15,008	45,758
	<hr/>	<hr/>	<hr/>
Other Financing Receipts (Disbursements)			
Transfers In	-	1,000	1,000
Transfers Out	(1,000)	-	(1,000)
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Receipts (Disbursements)</i>	(1,000)	1,000	-
	<hr/>	<hr/>	<hr/>
<i>Net Change in Fund Cash Balances</i>	29,750	16,008	45,758
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, January 1</i>	5,211	86,374	91,585
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31			
Restricted	-	102,382	102,382
Unassigned (Deficit)	34,961	-	34,961
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	\$ 34,961	\$ 102,382	\$ 137,343
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The notes to the financial statements are an integral part of this statement.

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY**

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

	Proprietary Fund Types	
	Enterprise	
Operating Cash Receipts		
Charges for Services	\$	404,639
Miscellaneous		775
		405,414
<i>Total Operating Cash Receipts</i>		405,414
Operating Cash Disbursements		
Personal Services		38,058
Employee Fringe Benefits		4,879
Contractual Services		133,119
Supplies and Materials		23,976
Other		7,413
		207,445
<i>Total Operating Cash Disbursements</i>		207,445
<i>Operating Income (Loss)</i>		197,969
Non-Operating Receipts (Disbursements)		
Intergovernmental		
Other Debt Proceeds		
Miscellaneous Receipts		
Capital Outlay		(1,051)
Principal Retirement		(144,449)
Interest and Other Fiscal Charges		(5,601)
		(151,101)
<i>Total Non-Operating Receipts (Disbursements)</i>		(151,101)
<i>Net Change in Fund Cash Balances</i>		46,868
<i>Fund Cash Balances, January 1</i>		168,145
<i>Fund Cash Balances, December 31</i>	\$	215,013

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

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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 Bloomingburg, Fayette 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 and park operations. The Village contracts with the Fayette County Sheriff's department to provide security of persons and property. The Village contracts with BPM to receive fire protection services.

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 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.

C. Deposits and Investments

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

D. Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is described 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, and repair of streets within the Village.

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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 – The water fund receives charges for services from residents to cover water service costs.

Sewer Fund – The sewer fund receives charges for services from residents to cover sewer service costs.

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.

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 be reappropriated.

A summary of the 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.

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

1. Summary of Significant Accounting Policies (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.

G. Property, Plant, and Equipment

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

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits and Investments

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

	<u>2016</u>	<u>2015</u>
Total Demand Deposits	<u>\$446,839</u>	<u>\$352,356</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$115,558	\$114,104	(\$1,454)
Special Revenue	59,495	57,694	(1,801)
Enterprise	399,690	407,000	7,310
Total	\$574,743	\$578,798	\$4,055

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$65,000	\$62,621	\$2,379
Special Revenue	94,700	65,304	29,396
Enterprise	488,000	359,299	128,701
Total	\$647,700	\$487,224	\$160,476

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$92,171	\$89,362	(\$2,809)
Special Revenue	60,125	59,676	(449)
Enterprise	422,850	405,414	(17,436)
Total	\$575,146	\$554,452	\$20,694

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$65,000	\$59,612	\$5,388
Special Revenue	94,700	43,668	51,032
Enterprise	490,550	358,546	132,004
Total	\$650,250	\$461,826	\$188,424

4. Property Tax

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

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

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

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

5. Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
OPWC - CO17F	\$40,126	0%
OPWC - CT510	39,387	0%
OWDA - 4878	1,249,118	0%
OWDA - 4636	142,145	1.5%
OWDA - 5885	64,721	2%
Total	\$1,535,497	

The Ohio Public Works Commission (OPWC) loan (CO17F) was approved in 2002 in the amount of \$303,300 at 0% interest. The Village has agreed to set utility rates sufficient to cover OPWC debt requirements.

A loan (#4636) was received from the Ohio Water Development Authority (OWDA) in 2007 for sewer construction in the amount of \$198,225 at 1.5% interest.

The Village received a loan in the amount of \$318,000 from the OWDA (#4268) for planning the improvement of its wastewater treatment plant in 2005. The loan was paid off in 2008 with OWDA loan (#4878) which was received for the construction of the wastewater treatment plant in the amount of \$2,027,783 at 0% interest.

The Village entered into a loan (CT510) with Ohio Public Works Commission (OPWC) in 2011 for sewer separation improvement in the amount of \$47,510 at 0% interest.

A loan (#5885) was received from the Ohio Water Development Authority (OWDA) in 2011 for a new well in the amount of \$75,400 at 2% interest.

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

Year ending December 31:	OPWC Loans	OWDA Loans
2017	\$10,789	\$59,478
2018	21,578	107,521
2019	11,546	107,521
2020	1,515	107,521
2021	1,515	107,521
2022-2026	7,574	537,604
2027-2031	7,574	393,475
2032-2036	7,574	57,174
2037-2041	7,574	24,853
2042-2043	2,274	0
Total	\$79,513	\$1,502,668

6. 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. York Insurance Services

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

6. Risk Management (Continued)

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 2015 (the latest information available):

	<u>2014</u>	<u>2015</u>
Assets	\$35,402,177	\$38,307,677
Liabilities	<u>(12,363,257)</u>	<u>(12,759,127)</u>
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 Government's share of these unpaid claims collectible in future years is approximately \$10,817.

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>
\$16,963	\$17,170

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 BLOOMINGBURG
FAYETTE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Continued)**

7. Defined Benefit Pension Plan

Village 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, 2016.

8. Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits.

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

Village of Bloomingburg
Fayette County
62 Main Street
Bloomingburg, Ohio 43106

To the Village Council:

We have audited, 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, the financial statements of the Village of Bloomingburg, Fayette County, Ohio (the Village) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated July 5, 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

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

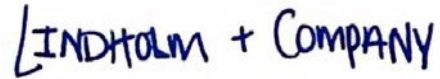
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "LINDHOLM + COMPANY". The letters are in all caps and have a casual, slightly slanted appearance.

Worthington, Ohio

July 5, 2017

**VILLAGE OF BLOOMINGBURG
FAYETTE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2016 AND 2015**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2014-001	The Village lacked controls to ensure that transactions were posted accurately.	No	Reissued as a Management Letter comment
2014-002	Ohio Revised Code 5705.36(A), appropriations exceeded available resources.	Yes	
2014-003	Ohio Revised Code 5705.39, appropriations exceeded estimated resources.	Yes	
2014-004	Estimated receipts certified by the Budget Commission varied from those posted to the accounting system.	Yes	

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Dave Yost • Auditor of State

VILLAGE OF BLOOMINGBURG

FAYETTE 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
OCTOBER 17, 2017