



**VILLAGE OF BLOOMINGDALE
JEFFERSON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 -1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF BLOOMINGDALE
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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Bloomingdale
Jefferson County
101 Steubenville Street
Bloomingdale, Ohio 43910

To the Village Council:

We have audited the accompanying financial statements of the Village of Bloomingdale, Jefferson County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

May 31, 2000

**VILLAGE OF BLOOMINGDALE
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Agency	
Cash Receipts:					
Property Tax and Other Local Taxes	\$5,188	\$1,057			\$6,245
Intergovernmental Receipts	18,425	9,632			28,057
Earnings on Investments	69	18			87
Miscellaneous	5,184			\$1,500	6,684
Total Cash Receipts	28,866	10,707		1,500	41,073
Cash Disbursements:					
Current:					
Security of Persons and Property	6,648	1,189			7,837
Public Health Services	231				231
Leisure Time Activities	4,147				4,147
Community Environment	105				105
Transportation		9,918			9,918
General Government	13,818	25			13,843
Debt Service:					
Principal Payments			\$2,000		2,000
Interest Payments			277		277
Total Cash Disbursements	24,949	11,132	2,277		38,358
Total Receipts Over/(Under) Disbursements	3,917	(425)	(2,277)	1,500	2,715
Other Financing Receipts/(Disbursements):					
Transfers-In			2,500		2,500
Advances-In	3,314	3,314			6,628
Other Financing Sources				760	760
Transfers-Out	(2,500)				(2,500)
Advances-Out	(3,314)	(3,314)			(6,628)
Other Financing Uses				(4,269)	(4,269)
Total Other Financing Receipts/(Disbursements)	(2,500)		2,500	(3,509)	(3,509)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,417	(425)	223	(2,009)	(794)
Fund Cash Balances January 1	2,197	3,699	94	2,868	8,858
Fund Cash Balances, December 31	\$3,614	\$3,274	\$317	\$859	\$8,064

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

**VILLAGE OF BLOOMINGDALE
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Agency	
Cash Receipts:						
Property Tax and Other Local Taxes	\$5,257	\$870				\$6,127
Intergovernmental Receipts	18,793	9,684				28,477
Miscellaneous	5,989	112			\$1,495	7,596
Total Cash Receipts	30,039	10,666			1,495	42,200
Cash Disbursements:						
Current:						
Security of Persons and Property	5,449	1,046				6,495
Public Health Services	166					166
Leisure Time Activities	3,962					3,962
Community Environment	822					822
Transportation		6,531				6,531
General Government	26,248					26,248
Debt Service:						
Principal Payments			\$2,000			2,000
Interest Payments			506			506
Total Cash Disbursements	36,647	7,577	2,506			46,730
Total Receipts Over/(Under) Disbursements	(6,608)	3,089	(2,506)		1,495	(4,530)
Other Financing Receipts/(Disbursements):						
Transfers-In		7,938	6,262	\$826		15,026
Advances-In	2,000	2,000				4,000
Other Financing Sources					1,298	1,298
Transfers-Out	(15,026)					(15,026)
Advances-Out	(2,000)	(2,000)				(4,000)
Other Financing Uses					(2,984)	(2,984)
Total Other Financing Receipts/(Disbursements)	(15,026)	7,938	6,262	826	(1,686)	(1,686)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(21,634)	11,027	3,756	826	(191)	(6,216)
Fund Cash Balances January 1	23,831	(7,328)	(3,662)	(\$826)	3,059	15,074
Fund Cash Balances, December 31	\$2,197	\$3,699	\$94		\$2,868	\$8,858

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

**VILLAGE OF BLOOMINGDALE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Bloomingdale, Jefferson County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including police protection, recreation, and street maintenance services. The Village contracts with the Bloomingdale Volunteer Fire Department to provide fire services.

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

B. Basis of Accounting

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

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

C. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

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

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant Debt Service Fund:

Debt Service Fund - This fund is used to pay principal and interest payments on a note that was used to purchase a truck.

VILLAGE OF BLOOMINGDALE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Capital Project Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

Storm Sewer Improvement Fund - This fund had been used to account for the improvement of storm sewers.

5. Fiduciary Funds (Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Mayor's Court Fund - This fund accounts for fines and fees received for Mayor's Court, and the distribution of fine monies to the Village and State.

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 Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

VILLAGE OF BLOOMINGDALE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ <u>8,064</u>	\$ <u>8,858</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 26,636	\$ 28,866	\$ 2,230
Special Revenue	8,227	10,707	2,480
Debt Service	<u>2,200</u>	<u>2,500</u>	<u>300</u>
Total	<u>\$ 37,063</u>	<u>\$ 420,733</u>	<u>\$ 5,010</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 18,987	\$ 27,449	\$ (8,462)
Special Revenue	10,880	11,132	(252)
Debt Service	<u>2,294</u>	<u>2,277</u>	<u>17</u>
Total	<u>\$ 32,161</u>	<u>\$ 40,858</u>	<u>\$ (8,697)</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 25,754	\$ 30,039	\$ 4,285
Special Revenue	16,165	18,604	2,439
Debt Service	<u>3,662</u>	<u>6,262</u>	<u>2,600</u>
Total	<u>\$ 45,581</u>	<u>\$ 54,905</u>	<u>\$ 9,324</u>

VILLAGE OF BLOOMINGDALE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 47,633	\$ 50,847	\$ (3,214)
Special Revenue	8,227	7,577	650
Debt Service	0	2,506	(2,506)
Total	\$ 55,860	\$ 60,930	\$ (5,070)

4. PROPERTY TAX

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

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

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

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Truck Loan	\$ 3,000	7%
OWDA Planning Loan	86,337	6.72%
Total	\$ 89,337	

The Truck Loan was for the purchase of a truck. The OWDA Planning Loan has been issued for the planning and engineering phase of improvements necessary to the water and sewer lines as mandated by the Ohio Environmental Protection Agency.

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

Year ending December 31:	Truck Loan	OWDA Planning Loan
2000	\$ 2,198	\$ 92,139
2001	1,066	0
Total	\$ 3,264	\$ 92,139

VILLAGE OF BLOOMINGDALE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998 PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

8. COMPLIANCE

The Village did not certify all disbursements in 1998 and 1999 as provided for by Ohio Revised Code Section 5705.41 (D).

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

Village of Bloomingdale
Jefferson County
101 Steubenville Street
Bloomingdale, Ohio 43910

To the Village Council:

We have audited the accompanying financial statements of the Village of Bloomingdale, Jefferson County, Ohio (the Village), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated May 31, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-31241-001. We also we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 31, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 31, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 31, 2000

**VILLAGE OF BLOOMINGDALE
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	1999-31241-001
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1. **Ohio Revised Code § 5705.41 (D)** states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certification shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two “exceptions” to the above requirements:

- A. **Then and Now Certificate** - If no certificate is furnished as required, upon receipt of the fiscal officer’s certificate that a sufficient sum was appropriated and free of any previous encumbrances, the Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.

- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of Council.

The Village did not use purchase orders and did not certify or encumber any disbursements in 1998. In 1999, of the disbursements tested, 81% were not properly certified. A purchase order that has been properly certified by the Clerk should be issued prior to making any expenditure of money.



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VILLAGE OF BLOOMINGDALE

JEFFERSON 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
JULY 13, 2000**