



Dave Yost • Auditor of State



VILLAGE OF WOODMERE  
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2013 .....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Cash Basis) - Agency Fund Type - For the Year Ended December 31, 2013 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2012 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances (Cash Basis) - Agency Fund Type - For the Year Ended December 31, 2012 .....	6
Notes to the Financial Statements .....	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	17

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Woodmere  
Cuyahoga County  
27899 Chagrin Boulevard  
Woodmere Village, Ohio 44122

To the Village Council:

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

We have audited the accompanying financial statements and related notes of the Village of Woodmere, Cuyahoga County, Ohio, (the Village) as of and for the years ended December 31, 2013 and 2012.

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

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

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

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

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

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

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

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

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 the Village as of December 31, 2013 and 2012, or changes in financial position 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 Woodmere, Cuyahoga County, Ohio, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2014, 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

September 29, 2014

VILLAGE OF WOODMERE  
CUYAHOGA COUNTY

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

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$142,239	\$61,025	\$0	\$0	\$203,264
Municipal Income Tax	2,446,823	0	0	0	2,446,823
Intergovernmental	31,903	377,074	0	0	408,977
Special Assessments	0	0	166,730	0	166,730
Charges for Services	34,981	7,738	0	0	42,719
Fines, Licenses and Permits	178,182	9,316	0	0	187,498
Earnings on Investments	22,134	12,602	0	1,830	36,566
Miscellaneous	521	0	0	21,000	21,521
<b>Total Cash Receipts</b>	<b>2,856,783</b>	<b>467,755</b>	<b>166,730</b>	<b>22,830</b>	<b>3,514,098</b>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	1,476,560	77,409	0	400	1,554,369
Public Health Services	2,173	0	0	0	2,173
Community Environment	12,371	0	0	0	12,371
Basic Utility Services	55,098	693	0	0	55,791
Transportation	33,481	11,913	0	0	45,394
General Government	883,388	19,173	0	500	903,061
Capital Outlay	134,548	255,445	0	63,396	453,389
Debt Service:					
Principal Retirement	0	0	293,000	18,805	311,805
Interest and Fiscal Charges	3,366	0	52,745	0	56,111
<b>Total Cash Disbursements</b>	<b>2,600,985</b>	<b>364,633</b>	<b>345,745</b>	<b>83,101</b>	<b>3,394,464</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>255,798</b>	<b>103,122</b>	<b>(179,015)</b>	<b>(60,271)</b>	<b>119,634</b>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Notes	0	0	238,000	0	238,000
Transfers In	0	20,000	0	55,000	75,000
Transfers Out	(75,000)	0	0	0	(75,000)
Other Financing Sources	72,710	445	0	5,860	79,015
Other Financing Uses	(8,090)	0	0	0	(8,090)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>(10,380)</b>	<b>20,445</b>	<b>238,000</b>	<b>60,860</b>	<b>308,925</b>
<b>Net Change in Fund Cash Balances</b>	<b>245,418</b>	<b>123,567</b>	<b>58,985</b>	<b>589</b>	<b>428,559</b>
<b>Fund Cash Balances, January 1, 2013</b>	<b>\$335,518</b>	<b>\$243,169</b>	<b>\$1,246</b>	<b>\$101,324</b>	<b>\$681,257</b>
<b>Fund Cash Balances, December 31, 2013</b>					
Restricted	0	366,569	60,231	20,939	447,739
Committed	154,820	167	0	80,974	235,961
Unassigned (Deficit)	426,116	0	0	0	426,116
<b>Fund Cash Balances, December 31, 2013</b>	<b>\$580,936</b>	<b>\$366,736</b>	<b>\$60,231</b>	<b>\$101,913</b>	<b>\$1,109,816</b>

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

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY**

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

	<b>Agency</b>
<b><u>Operating Cash Receipts</u></b>	
Miscellaneous	\$4,915
<b><i>Total Operating Cash Receipts</i></b>	<b>4,915</b>
<b><u>Operating Cash Disbursements</u></b>	
Other-General Government	5,041
<b><i>Total Operating Cash Disbursements</i></b>	<b>5,041</b>
<b><i>Operating Income (Loss)</i></b>	<b>(126)</b>
<b><u>Non-Operating Receipts (Disbursements)</u></b>	
Other Financing Sources	284,928
Other Financing Uses	(289,782)
<b><i>Total Non-Operating Receipts (Disbursements)</i></b>	<b>(4,854)</b>
<b><i>Net Income</i></b>	<b>(4,980)</b>
<b><i>Net Change in Fund Cash Balances</i></b>	<b>(4,980)</b>
<b><i>Fund Cash Balances, January 1</i></b>	<b>\$307,687</b>
<b><i>Fund Cash Balances, December 31</i></b>	<b>\$302,707</b>

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

VILLAGE OF WOODMERE  
CUYAHOGA COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b><u>Cash Receipts</u></b>					
Property and Other Local Taxes	\$162,168	\$71,268	\$0	\$0	\$233,436
Municipal Income Tax	2,247,642	0	0	0	2,247,642
Intergovernmental	48,770	76,098	0	0	124,868
Special Assessments	0	0	107,907	0	107,907
Charges for Services	29,112	12,698	0	0	41,810
Fines, Licenses and Permits	145,352	5,130	0	0	150,482
Earnings on Investments	787	0	0	0	787
Miscellaneous	10,248	257	0	6,050	16,555
<b>Total Cash Receipts</b>	<b>2,644,079</b>	<b>165,451</b>	<b>107,907</b>	<b>6,050</b>	<b>2,923,487</b>
<b><u>Cash Disbursements</u></b>					
<b><u>Current:</u></b>					
Security of Persons and Property	1,417,635	137,425	0	0	1,555,060
Public Health Services	2,212	0	0	0	2,212
Community Environment	8,464	0	0	0	8,464
Basic Utility Services	51,797	19,528	0	0	71,325
Transportation	60,791	12,983	0	0	73,774
General Government	844,206	3,780	0	0	847,986
Capital Outlay	10,339	15,210	0	6,267	31,816
<b><u>Debt Service:</u></b>					
Principal Retirement	0	0	300,500	11,305	311,805
Interest and Fiscal Charges	4,202	0	53,435	0	57,637
<b>Total Cash Disbursements</b>	<b>2,399,646</b>	<b>188,926</b>	<b>353,935</b>	<b>17,572</b>	<b>2,960,079</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>244,433</b>	<b>(23,475)</b>	<b>(246,028)</b>	<b>(11,522)</b>	<b>(36,592)</b>
<b><u>Other Financing Receipts (Disbursements)</u></b>					
Sale of Notes	0	0	245,500	0	245,500
Sale of Capital Assets	2,717	0	0	0	2,717
Transfers In	0	15,000	0	55,000	70,000
Transfers Out	(70,000)	0	0	0	(70,000)
Advances In	0	0	1,553	0	1,553
Advances Out	(1,553)	0	0	0	(1,553)
Other Financing Sources	37,204	990	0	0	38,194
Other Financing Uses	(2,500)	0	0	0	(2,500)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>(34,132)</b>	<b>15,990</b>	<b>247,053</b>	<b>55,000</b>	<b>283,911</b>
<b>Net Change in Fund Cash Balances</b>	<b>210,301</b>	<b>(7,485)</b>	<b>1,025</b>	<b>43,478</b>	<b>247,319</b>
<b>Fund Cash Balances, January 1, 2012</b>	<b>\$125,217</b>	<b>\$250,654</b>	<b>\$221</b>	<b>\$57,846</b>	<b>\$433,938</b>
<b><u>Fund Cash Balances, December 31, 2012</u></b>					
Restricted	0	242,002	1,246	22,908	266,156
Committed	118,420	1,167	0	78,416	198,003
Unassigned (Deficit)	217,098	0	0	0	217,098
<b>Fund Cash Balances, December 31, 2012</b>	<b>\$335,518</b>	<b>\$243,169</b>	<b>\$1,246</b>	<b>\$101,324</b>	<b>\$681,257</b>

VILLAGE OF WOODMERE  
CUYAHOGA COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCES (CASH BASIS) - AGENCY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<b>Agency</b>
<b><u>Operating Cash Receipts</u></b>	
Charges for Services	\$ 47,805
Miscellaneous	2,336
	<u>50,141</u>
<b><u>Total Operating Cash Receipts</u></b>	<u>50,141</u>
<b><u>Operating Cash Disbursements</u></b>	
Other-General Government	17,583
	<u>17,583</u>
<b><u>Total Operating Cash Disbursements</u></b>	<u>17,583</u>
<b><u>Operating Income (Loss)</u></b>	<u>32,558</u>
<b><u>Non-Operating Receipts (Disbursements)</u></b>	
Other Financing Sources	175,728
Other Financing Uses	(142,532)
	<u>33,196</u>
<b><u>Total Non-Operating Receipts (Disbursements)</u></b>	<u>33,196</u>
<b><u>Net Income</u></b>	<u>65,754</u>
<b><u>Net Change in Fund Cash Balances</u></b>	<u>65,754</u>
<b><u>Fund Cash Balances, January 1</u></b>	<u>\$ 241,932</u>
<b><u>Fund Cash Balances, December 31</u></b>	<u>\$ 307,686</u>

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

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**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 Woodmere, Cuyahoga County, (the Village) as a body corporate and politic. A publicly-elected seven-member Council directs the Village. The Village provides general government services, including police, mayor's court, building inspections, along with planning and zoning services.

The Village participates in a jointly governed organization and a public entity risk pool. Notes 8 and 10 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organization:

Valley Enforcement Regional Council of Governments (VERCOG) – VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit.

Public Entity Risk Pool:

Ohio Government Risk Plan (the Plan) – the Plan is a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio "governments" (members).

The 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 the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

**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.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**D. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**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:

Law Enforcement Trust Fund – This fund receives funding through a program offered by the Federal Government for communities to share in the proceeds from forfeitures distributed by the Courts to participating communities performing undercover police department work. The program is referred to as the High Intensity Drug Task Force Agency (H.I.D.T.A.).

Fire Levy Fund - This fund was established by a vote of the residents to provide funding for the Fire Department. The Village receives proceeds amounting to a one (1) mill levy from property taxes collected by Cuyahoga County and subsequently distributed to the Village.

Cuyahoga County Community Development Fund – This fund is used by the Village for the purpose of accounting for any grant received from the Cuyahoga County Community Development Fund.

**3. Debt Service Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

General Bond Retirement Fund – This fund is currently used to account for a note the Village owns for property on Roselawn located in the Village.

Special Assessment Bond Fund – This fund was established for the purpose of accounting for the Special Assessment Bond issued to Chagrin Brainard LLC for the widening of Chagrin Boulevard by the Eton Collection mall located in the Village.

**4. Capital Project Funds**

These funds account for and report 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 Funds:

VILLAGE OF WOODMERE  
CUYAHOGA COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

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

D. **Fund Accounting (Continued)**

4. **Capital Project Funds (Continued)**

New Vehicle Fund – This fund receives funding through transfers from the General Fund and insurance reimbursements from accidents for the purpose of purchasing new Service Department vehicles.

Building Improvement Fund – This fund receives General Fund transfers for the purpose of funding various improvements to buildings.

Land Acquisition Fund – This fund receives transfers from the General Fund for the purpose of purchasing land in the Village.

Storm and Paving Fund – This fund receives transfers from the General Fund for the purpose of retiring Issue II loan that was used to improve storm sewers and paving.

5. **Fiduciary Funds**

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 – Mayor's Court Fund accounts for all activity related to the Mayor's Court and Clerk of Court.

E. **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. The County Budget Commission must also approve the annual appropriation measure. 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 also 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.

VILLAGE OF WOODMERE  
CUYAHOGA COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

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

**E. Budgetary Process (Continued)**

A summary of 2013 and 2012 budgetary activity appears in Note 3.

**F. Fund Balance**

For December 31, 2013, fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**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.

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**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>2013</u>	<u>2012</u>
Demand deposits	\$764,208	\$779,816
Investments:		
STAR Ohio	506,289	81,247
Money market mutual fund	142,026	127,880
Total Investments	<u>648,315</u>	<u>209,127</u>
Total demand deposits and Investments	<u>\$1,412,523</u>	<u>\$988,943</u>

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

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2013 and December 31, 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,947,151	\$2,929,493	(\$17,658)
Special Revenue	483,199	488,200	5,001
Debt Service	404,729	404,730	1
Capital Projects	91,860	83,690	(8,170)
Agency	273,606	289,843	16,237
Total	<u>\$4,200,545</u>	<u>\$4,195,956</u>	<u>(\$4,589)</u>

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**3. Budgetary Activity (Continued)**

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,902,701	\$2,684,075	\$218,626
Special Revenue	497,128	364,633	132,495
Debt Service	347,000	345,745	1,255
Capital Projects	119,807	83,101	36,706
Agency	363,135	294,823	68,312
Total	\$4,229,771	\$3,772,377	\$457,394

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,643,396	\$2,684,000	\$40,604
Special Revenue	239,614	181,441	(58,173)
Debt Service	353,935	353,407	(528)
Capital Projects	56,000	61,050	5,050
Agency	180,350	225,869	45,519
Total	\$3,473,295	\$3,505,767	\$32,472

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,662,717	\$2,472,146	\$190,571
Special Revenue	370,012	188,926	181,086
Debt Service	353,935	353,935	0
Capital Projects	87,005	17,572	69,433
Agency	165,526	160,115	5,411
Total	\$3,639,195	\$3,192,694	\$446,501

**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 WOODMERE  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**5. Local Income Tax**

The Village levies a municipal income tax of two and a half 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. The local income tax rate was changed by the voters of the Village from two percent to two and a half percent effective January 1, 2012.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Authority on behalf of the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. Debt**

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
Special Assessment Bond	\$918,088	4%
General Obligation Note	238,000	6%
OPWC Loan 1 - Irving Park/Maplecrest	15,000	0%
OWDA Loan 2 - Roselawn/Avondale	19,025	0%
Total	\$1,190,113	

The Ohio Public Works Commission (OPWC) loans relate to sanitary sewer projects. The loans will be repaid in annual installments of \$11,305, interest free, over 20 years.

The special assessment bond was issued on October 1, 2005 and matures on December 1, 2024. The bonds will be paid by residents benefiting from the improvements.

The general obligation note will be repaid in one year.

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

	OPWC Loan 1	OPWC Loan 2	Special Assessment Bond	Total
Year ending December 31:				
2014	\$7,500	\$3,805	\$148,925	\$160,230
2015	7,500	3,805	104,825	116,130
2016	0	3,805	106,525	110,330
2017	0	3,805	102,950	106,755
2018	0	3,805	109,375	113,180
2019-2024	0	0	660,275	660,275
Total	\$15,000	\$19,025	\$1,232,875	\$1,266,900

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**7. Retirement Systems**

The Village's full-time police officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2012 and prior to July 1, 2013, OP&F participants contributed 10 percent of their wages. After July 1, 2013, OP&F participants contributed 10.75 percent of their wages for the period from July 1, 2013 to December 31, 2013.

The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. For 2013 and 2012, OPERS members contributed 10 percent, of their gross salaries and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2013.

**8. Risk Management**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

**Risk Pool Membership**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2012 and 2011 respectively.

**VILLAGE OF WOODMERE  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**8. Risk Management (Continued)**

**Risk Pool Membership (Continued)**

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011 (the latest information available)

	<u>2012</u>	<u>2011</u>
Assets	\$13,100,381	\$12,501,28
Liabilities	<u>(6,687,193)</u>	<u>(5,328,761)</u>
Members' Equity	<u>\$6,413,188</u>	<u>\$7,172,519</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**9. Contingent Liabilities**

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. 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.

**10. Jointly Governed Organization**

**Valley Enforcement Regional Council of Governments**

The Village is a member of Valley Enforcement Regional Council of Governments ("VERCOG"), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group ("VEG"), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is currently comprised of fifteen communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four (4) of more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purpose. During 2013 and 2012, the Village paid \$7,000 to VERCOG each year.

**This page intentionally left blank.**



# 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 Woodmere  
Cuyahoga County  
27899 Chagrin Boulevard  
Woodmere Village, Ohio 44122

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Woodmere, Cuyahoga County, Ohio, (the Village) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated September 29, 2014, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***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 "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

September 29, 2014



# Dave Yost • Auditor of State

**VILLAGE OF WOODMERE**

**CUYAHOGA 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 14, 2014**