

VILLAGE OF NORTH BALTIMORE

WOOD COUNTY

Audit Report

For the Year Ended December 31, 2014





Dave Yost • Auditor of State

Village Council
Village of North Baltimore
205 N. Main Street
North Baltimore, Ohio 45870

We have reviewed the *Independent Auditors' Report* of the Village of North Baltimore, Wood County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2014. 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 North Baltimore is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

September 22, 2015

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VILLAGE OF NORTH BALTIMORE
WOOD COUNTY

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Village of North Baltimore
Wood County
205 North Main Street
North Baltimore, Ohio 45870

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of North Baltimore, Wood County, (the Village) as of and for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2014, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund balances of the Village of North Baltimore, Wood as of December 31, 2014, and its combined 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, during the year December 31, 2014, the Village made prior period adjustments. For the year ended December 31, 2013, it was determined that the Police Uniform fund and the Vehicle Equipment Replacement fund were misclassified in the Special Revenue funds and should have been the General fund and Capital Projects fund, respectively. The adjustment decreased the beginning Special Revenue fund balance by \$56,950 and increased the General fund and Capital Projects fund balance by \$1,364 and \$55,586, respectively. Also, a reconciliation of the books identified an overstatement of the beginning Enterprise fund balance of \$40,556 and was decreased accordingly. We did not modify our opinion regarding this matter.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole. The Schedule of Federal Awards Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2015, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Charles Harris Associates

Charles E. Harris & Associates, Inc.
September 9, 2015

Village of North Baltimore, Ohio
Wood County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 2014

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$129,178	\$76,693	\$51,049	\$0	\$256,920
Municipal Income Tax	722,578	0	0	0	722,578
Intergovernmental	11,010	188,975	7,006	0	206,991
Special Assessments	0	190,874	0	0	190,874
Charges for Services	237,201	2,403	0	0	239,604
Fines, Licenses and Permits	38,559	870	0	0	39,429
Earnings on Investments	26,209	9	0	0	26,218
Miscellaneous	49,547	3,852	0	0	53,399
<i>Total Cash Receipts</i>	<u>1,214,282</u>	<u>463,676</u>	<u>58,055</u>	<u>0</u>	<u>1,736,013</u>
Cash Disbursements					
Current:					
Security of Persons and Property	660,510	548	0	0	661,058
Public Health Services	138,074	0	0	0	138,074
Leisure Time Activities	0	51,449	0	0	51,449
Community Environment	10,879	3,432	0	0	14,311
Basic Utility Services	0	350,634	0	0	350,634
Transportation	0	458,051	0	0	458,051
General Government	291,075	0	962	0	292,037
Capital Outlay	0	0	0	13,712	13,712
Debt Service:					
Principal Retirement	0	0	36,045	0	36,045
Interest and Fiscal Charges	0	0	15,184	0	15,184
<i>Total Cash Disbursements</i>	<u>1,100,538</u>	<u>864,114</u>	<u>52,191</u>	<u>13,712</u>	<u>2,030,555</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	113,744	(400,438)	5,864	(13,712)	(294,542)
Other Financing Receipts (Disbursements)					
Transfers In	0	382,121	0	219,218	601,339
Transfers Out	(458,339)	(141,500)	0	0	(599,839)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(458,339)</u>	<u>240,621</u>	<u>0</u>	<u>219,218</u>	<u>1,500</u>
<i>Net Change in Fund Cash Balances</i>	(344,595)	(159,817)	5,864	205,506	(293,042)
<i>Fund Cash Balances, January 1 (Restated, Note 12)</i>	<u>1,099,709</u>	<u>1,003,799</u>	<u>24,097</u>	<u>61,421</u>	<u>2,189,026</u>
Fund Cash Balances, December 31					
Restricted	0	843,982	29,961	5,835	879,778
Assigned	126,974	0	0	261,092	388,066
Unassigned	628,140	0	0	0	628,140
<i>Fund Cash Balances, December 31</i>	<u>\$755,114</u>	<u>\$843,982</u>	<u>\$29,961</u>	<u>\$266,927</u>	<u>\$1,895,984</u>

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

Village of North Baltimore, Ohio
Wood County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2014

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$2,410,059	\$0	\$2,410,059
Miscellaneous	149,935	0	149,935
<i>Total Operating Cash Receipts</i>	<u>2,559,994</u>	<u>0</u>	<u>2,559,994</u>
Operating Cash Disbursements			
Personal Services	417,407	0	417,407
Employee Fringe Benefits	125,456	0	125,456
Contractual Services	333,175	0	333,175
Supplies and Materials	191,809	0	191,809
Other	471	0	471
<i>Total Operating Cash Disbursements</i>	<u>1,068,318</u>	<u>0</u>	<u>1,068,318</u>
<i>Operating Income (Loss)</i>	1,491,676	0	1,491,676
Non-Operating Receipts (Disbursements)			
Intergovernmental	148,617	0	148,617
Proceeds of USDA Loan	1,988,931	0	1,988,931
Proceeds of OPWC Loan	95,953	0	95,953
Capital Outlay	(2,067,548)	0	(2,067,548)
Principal Retirement	(431,367)	0	(431,367)
Interest and Other Fiscal Charges	(298,461)	0	(298,461)
Other	(2,132)	0	(2,132)
Mayor's Court Receipts	0	11,706	11,706
Mayor's Court Disbursements	0	(11,706)	(11,706)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(566,007)</u>	<u>0</u>	<u>(566,007)</u>
<i>Income (Loss) before Transfers</i>	925,669	0	925,669
Transfers In	275,000	0	275,000
Transfers Out	(276,500)	0	(276,500)
<i>Net Change in Fund Cash Balances</i>	924,169	0	924,169
<i>Fund Cash Balances, January 1 (Restated, Note 12)</i>	<u>3,150,742</u>	<u>0</u>	<u>3,150,742</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$4,074,911</u></u>	<u><u>\$0</u></u>	<u><u>\$4,074,911</u></u>

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

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

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

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 North Baltimore, Wood County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations. The Village also provides police services. The Village appropriates general fund money to support a volunteer fire and part-time EMS department.

In 2014, The Village participated in a joint venture and a public entity risk pool. Notes 8 and 11 to the financial statements provides additional information for these entities. These organizations are Joint Venture – Henry Township – Village of North Baltimore Joint Economic Development District (JEDD) and Public Entity Risk Pool (PEP). The JEDD was dissolved and the final proceed disbursement was made in September 2014.

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. Council 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.

The Village values money market mutual funds are recorded at share values the mutual funds report.

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:

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

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

1. Summary of Significant Accounting Policies (continued)

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:

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

Permissive Motor Vehicle License Fund – This fund receives permissive motor vehicle license fees in order to improve Village streets.

Street Paving and Reconstruction Fund – This fund receives property, rollback, and homestead tax levy funds in order to pave and reconstruct Village streets.

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 Fund:

Fire Equipment Debt Fund – This fund receives property, rollback and homestead taxes. It is used to pay monthly debt payments for the fire pumper recently purchased.

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 fund.

Vehicle Equipment Replacement Fund – This fund receives transfers from various funds to segregate monies to be used for future capital purchases

5. 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:

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

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

1. Summary of Significant Accounting Policies (continued)

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

Wastewater Utility Operating Fund - This fund receives charges for services from residents to cover sewer service costs.

Wastewater Capital Improvement Reserve Fund – This fund receives Federal and State grants and loans and accounts for the related expenses in regards to the sanitary sewer project.

First Mortgage Debt Service Fund – This fund receives transfers from Wastewater, and Storm water and is used to pay principal and interest on enterprise related debt.

6. Fiduciary Funds

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

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for the Mayor's Court Fund, which is used to account for the activity of the Village's Mayor's 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.

VILLAGE OF NORTH BALTIMORE
WOOD COUNTY

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

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

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 appropriated. The Village did not encumber all commitments required by Ohio law.

A summary of 2014 budgetary activity appears in Note 4.

F. **Fund Balance**

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

1. **Nonspendable**

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

2. **Restricted**

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

3. **Committed**

Council can *commit* amounts via formal action (resolution or ordinance). The Village must adhere to these commitments unless the Council amends the resolution or ordinance. 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.

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

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

1. Summary of Significant Accounting Policies (continued)

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

	2014		
Demand Deposits	\$ 3,220,631		
Certificates of Deposits	239,052		
Total Deposits	3,459,683		
FNMA	907,418		
FHLMC	1,049,073		
FFCB	299,950		
FHLB	254,771		
Total Investments	2,511,212		
Total Deposits and Investments	<u>\$ 5,970,895</u>		

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution’s public entity deposit pool.

Investments: During 2014, the Village invested in various bonds and notes and these are recorded at cost and held by Charles Schwab and SJS Investments at December 31, 2014.

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

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

3. Budgetary Activity

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

2014 Budgeted vs. Actual Receipts			
Fund Type	Estimated Receipts	Actual Receipts	Variance
General	\$ 1,208,745	\$ 1,214,282	\$ 5,537
Special Revenue	833,571	845,797	12,226
Debt Service	58,861	58,055	(806)
Capital Projects	219,218	219,218	-
Enterprise	5,417,682	5,068,495	(349,187)

2014 Appropriations vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriations	Actual Disbursements	Variance
General	\$ 1,811,420	\$ 1,685,851	\$ 125,569
Special Revenue	1,155,515	1,005,614	149,901
Debt Service	52,280	52,191	89
Capital Projects	13,721	13,712	9
Enterprise	5,974,573	4,144,326	1,830,247

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. Public utility 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. Local Income Tax

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. The Village has a contract with City of Cleveland – Central Collection Agency to collect income tax on behalf of the Village.

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

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

6. Debt

Debt outstanding at December 31, 2014:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$640,000	4.51%
Ohio Water Development Authority Loan - #2834	658,872	2.00%
Ohio Water Development Authority Loan - #3330	71,506	6.39%
Ohio Water Development Authority Loan - #3380	882,496	2.00%
Ohio Water Development Authority Loan - #3921	160,303	2.00%
USDA Loan #1	4,282,000	2.75%
USDA Loan #3	5,000,000	2.75%
USDA Loan #4	1,455,757	2.75%
Ohio Public Works Commission Loan - CE32B	26,164	0.00%
Ohio Public Works Commission Loan - CT25M	24,900	0.00%
Ohio Public Works Commission Loan - CE42P	150,907	0.00%
Henry County Bank	365,810	3.10%
Total	<u><u>\$13,718,715</u></u>	

The Village has one outstanding general obligation bond issue at December 31, 2014. It is backed by the full faith and credit of the Village of North Baltimore and will be paid from the enterprise fund through user fees. Semi-annual payments are due on this obligation.

The Village has four loans from the Ohio Water Development Authority with interest rates ranging from 2.00% to 6.39%. These loans we obtained to make improvements to the Village water and wastewater systems. Semi-annual payments are due on each loan including interest.

The Village has three loans from the Ohio Public Works Commission. These loans have interest rates of 0.00%. These loans we obtained to make Water Treatment Plant improvements, and to help finance the Sewer Separation Project, respectively.

The Village has three loans from the United States Department of Agriculture. These loans have interest rates of 2.75% each. These loans were obtained to finance the Sewer Separation Project. Principal and interest payments are due annually.

The Village has one loan from The Henry County Bank. This loan has an interest rate of 3.10%. This loan was obtained to purchase a new fire pumper in 2013. Principal and interest payments are due monthly and are funded by a property tax initiative of 1.3 mills approved in 2012.

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

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

6. Debt (continued)

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

Year ending December 31:	OPWC Loans	OWDA Loans	General Obligation Bonds	USDA Loans	Henry County Bank
2015	\$7,765	\$310,690	\$84,825	\$549,238	\$51,229
2016	10,280	310,690	87,075	549,848	51,229
2017	10,280	310,690	84,075	549,293	51,229
2018	10,280	310,690	61,075	547,600	51,229
2019	10,280	310,690	59,295	549,798	51,229
2020-2024	33,958	364,805	293,373	2,745,460	153,686
2025-2029	29,600		174,950	2,745,338	
2030-2034	29,600			2,745,192	
2035-2039	29,600			2,745,415	
2040-2044	27,820			2,745,833	
2045-2049	2,508			2,745,685	
2050-2054				1,646,543	
TOTAL	\$201,971	\$1,918,255	\$844,668	\$20,865,242	\$409,831

7. Retirement Systems

The Village's certified Fire Fighters and 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 2014, OP&F participants contributed 11.5% of their wages. For 2014, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2014, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2014.

8. Risk Management

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

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

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP.

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

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

8. Risk Management (continued)

PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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, 2014, 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 accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2013 and 2014.

	<u>2013</u>	<u>2014</u>
Assets	\$34,411,883	\$35,402,177
Liabilities	<u>(12,760,194)</u>	<u>(12,363,257)</u>
Net Position	<u>\$21,651,689</u>	<u>\$23,038,920</u>

At December 31, 2013 and 2014, respectively, the liabilities above include approximately \$11.6 million and \$11.1 million of estimated incurred claims payable. The assets above also include approximately \$11.1 million and \$10.8 million of unpaid claims to be billed. The Pool's membership increased from 475 members in 2013 to 488 members in 2014. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the Village's share of these unpaid claims collectible in future years is approximately \$27,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
<u>2013</u>	<u>2014</u>
\$41,440	\$44,448

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

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

8. Risk Management (continued)

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.

9. Contingent Liabilities

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.

Management believes there are no contingent liabilities. The Village is under special audit with the Auditor of State as of September 9, 2015 for potential fraud.

10. Related Party Transactions

Two Village Council members' brother is the Utility Superintendent for the Village. Their father, along with an aforementioned council member owns and provides sanitation services for the Village, has for over the past 40 years being the only sanitation business in the Village. The same sanitation company assists the Village with wintertime snow removal from Main Street. The Village paid \$9,730 and \$2,950 in 2014 for the sanitation services and snow removal, respectively.

11. Joint Ventures

The Henry Township-Village of North Baltimore Joint Economic Development District (JEDD) – The JEDD was entered into on October 14, 2008, in accordance with Sections 715.72 through Sections 715.83 of the Ohio Revised Code for their mutual benefit and the benefit of their residents. The JEDD was created to facilitate the economic welfare of the people of the State of Ohio, Wood County, Village of North Baltimore and Henry Township. The Township and the Village each agreed to contribute to the development and operation of the District. The initial term of this contract began on the commencement of construction of the Evansville Western Railway, Inc. Northwest Ohio Trans-shipment Terminal and shall terminate upon completion of the Terminal within the District. A five member appointed Board of Directors shall govern the District. The Board shall adopt by-laws for the regulation of the affairs and the conduct of business.

The JEDD Board adopted a resolution to levy an income tax in the District at a rate of 1 percent. The Village will collect the tax through its agreement with the CCA and remit 20% of the receipts to the District, 50% to the Township, and retain 30% as the Village's share. The JEDD was dissolved in September 2014.

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

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

12. Prior Period Fund Balance Adjustment

The Village made following adjustments from the 2013 ending balance to reclassify the 2014 beginning balances to comply with GASB 54 requirements. The Enterprise Fund 2013 balance was adjusted to write off \$40,556 of revenue from water and sewer that were recorded in the books but were not actually received.

	<u>General</u>	<u>Special Rev.</u>	<u>Capital Proj.</u>	<u>Enterprise</u>
2013 end. balance	\$ 1,098,345	\$ 1,060,749	\$ 5,835	\$ 3,191,298
<u>Adjustments:</u>				
Police Uniform	1,364	(1,364)		
Vehicle Equipment Replacement		(55,586)	55,586	
Utility write off				(40,556)
2014 beg. balance	<u>\$ 1,099,709</u>	<u>\$ 1,003,799</u>	<u>\$ 61,421</u>	<u>\$ 3,150,742</u>

13. Transfers

The Village transferred funds to the Capital Projects - Vehicle Equipment Replacement Fund from the General, certain Special Revenue Funds and Enterprise Funds by resolution for the acquisition of capital assets, including motor vehicles. Also, the Village transferred money from the General fund to various other funds to subsidize operations. Finally, the Sewer fund transferred money to the Sewer tap-in fund for projects. The transfers are in compliance with the Ohio Revised Code.

VILLAGE OF NORTH BALTIMORE
 Wood County
 Schedule of Federal Awards Expenditures
 For the Year Ending December 31, 2014

Federal Grantor/Pass Through Grantor Number/Program Title	CFDA Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>		
Water and Waste Disposal System for Rural Communities	10.760	\$ 1,970,276
Total U.S. Department of Agriculture		<u>1,970,276</u>
Total Federal Awards Expenditures		<u>\$ 1,970,276</u>

See accompanying Notes to the Schedule of Federal Award Expenditures

VILLAGE OF NORTH BALTIMORE
Wood County, Ohio
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2014

1. Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the Village's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Village of North Baltimore
Wood County
205 North Main Street
North Baltimore, Ohio 45870

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 North Baltimore, Wood County, (the Village) as of and for the year ended December 31, 2014, and the related notes to the financial statements and have issued our report thereon dated September 9, 2015, 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. Also, we noted the Village made prior period adjustments for fund reclassifications and bank reconciling items for the General fund, Special Revenue funds, Capital Projects funds and Enterprise funds.

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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2014-002.

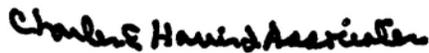
We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated September 9, 2015.

Entity's Responses to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

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.



Charles E. Harris & Associates, Inc.
September 9, 2015

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Village of North Baltimore
Wood County
205 North Main Street
North Baltimore, Ohio 45870

To the Village Council:

Report on Compliance for Major Federal Program

We have audited the Village of North Baltimore's (the Village) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Village's major federal program for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Village's major federal program.

Management's Responsibility

The Village's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Village's compliance for the Village's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Village's major program. However, our audit does not provide a legal determination of the Village's compliance.

Basis for Qualified Opinion on Water and Waste Disposal System for Rural Communities

As described in finding 2014-003 in the accompanying schedule of findings, the Village did not comply with requirements regarding reporting applicable to its Water and Waste Disposal System for Rural Communities major federal program. Compliance with this requirement is necessary, in our opinion, for the Village to comply with requirements applicable to this program.

Qualified Opinion on Water and Waste Disposal System for Rural Communities

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Water and Waste Disposal System for Rural Communities* paragraph, the Village of North Baltimore complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Water and Waste Disposal System for Rural Communities* for the year ended December 31, 2014.

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

Report on Internal Control Over Compliance

The Village's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Village's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Village's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.

September 9, 2015

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505**

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY
December 31, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Adverse under GAAP, unmodified under the regulatory basis
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	Yes
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	Yes
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Qualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Water and Wastewater Disposal System - - Rural (CFDA # 10.760)
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	No

VILLAGE OF NORTH BALTIMORE
WOOD COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2014

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2014-001: Material Weakness

During 2014, the Village erroneously recorded several transactions. The more significant adjustments were to adjust recorded proceeds of USDA and OPWC loans as other debt proceeds rather than intergovernmental receipts and rollback/homestead receipts to intergovernmental receipts rather than property taxes.

Adjustments were made in the financial statements to reflect the proper presentation. The Village Officers' Handbook and the CMI manual provide suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example). Using these classifications and the accounting records will provide the Village with information required to monitor compliance and with the budget and prepare annual reports in the format required by the Auditor of State.

We recommend that the Village refer to the Village Officers' Handbook and CMI manual to properly classify its transactions. We also recommend the Finance Officer review all reports compiled by the computer software company to ensure their accuracy.

Management Response:

The Village will take the proper measures to confirm all transactions are recorded correctly.

FINDING NUMBER 2014-002: Noncompliance

Ohio Rev. Code Section 5705.41 (D) (1) prohibits a subdivision or taxing entity from making a contract or ordering any expenditure of money unless a certificate signed by a fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41 (D)(1) and 5705.41 (D)(3), respectively, of the Ohio Revised Code.

1. Then and Now Certificates – If the fiscal officer can certify that both at the time that contract or order was made ("then") and at the time that the fiscal officer was completing the certification ("now"), that sufficient funds were available or in the process of collection, to credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

**SCHEDULE OF FINDINGS – (continued)
DECEMBER 31, 2014**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (continued)

FINDING NUMBER 2014-002: Noncompliance (continued)

2. Blanket Certificates - Fiscal officers may prepare “blanket” certificates for a certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of members of the legislative authority against any specific line item amount over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificates – The Village may also make expenditures and contracts for any amount for a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most profession services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Village did not make the proper certification of funds in all instances. Twenty-eight of 126 transactions tested had the certifications after the obligation date during the audit period. In addition, the purchase orders are not printed out after they were created. As such 15 out of 126 transactions tested had check dates that preceded the date the purchase orders were officially certified. We recommend that the Village institute the use of purchase orders for any expenditure to be made and certify expenditures prior to incurring the liability. In instances where prior certification is not practical, we recommend the issuance of a “Then and Now” certificate.

Management Response:

The Village will provide additional oversight to the purchasing process and ensure all expenditures are administered properly.

3. FINDINGS FOR FEDERAL AWARDS

FINDING NUMBER 2014-003: Noncompliance

U.S. Department of Agriculture (USDA) RUS Bulletin 1780-30 requires that entities receiving financial assistance from USDA Water Programs are required to submit financial statement audits. The objective of a financial statement audit is to provide assurance about whether the financial statements present fairly the financial position, results of operations, and cash flows in conformity with generally accepted accounting principles (GAAP). The reporting requirements that must be submitted to the USDA are:

- Annual audited financial statements within 150 days of the entity’s fiscal year-end (7CFR Part 1780.47 (a)).
- Form RD 442-2, Statement of Budget, Income and Equity (7 CFR Part 1780.47 (f) (2)).
- Form RD 442-3, Balance Sheet (7 CFR Part 1780.41 (a) (3)).

VILLAGE OF NORTH BALTIMORE
WOOD COUNTY

SCHEDULE OF FINDINGS – (continued)
DECEMBER 31, 2014

3. FINDINGS FOR FEDERAL AWARDS

FINDING NUMBER 2014-003: Noncompliance - continued

The Village filed the audit report using the regulatory basis of accounting rather than GAAP. We recommend that the Village file GAAP basis financial statements to comply with the USDA requirements.

Management Response:

Per discussion with the fiscal officer on September 15, 2015, the new administration evaluated the requirements and has determined the costs of compliance far outweigh the benefits of preparing a GAAP report and having the corresponding audit. Administration would rather pass the cost savings along to the citizens.

**VILLAGE OF NORTH BALTIMORE
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	ORC 5705.41(D) - Purchase orders were not always properly completed and utilized	No	Repeated as Finding # 2014-002.
2013-002	Ohio Administrative Code 117-2-03 - Village did not properly complete a cash-basis financial statement	Yes	Village hired LGS to reconcile its books and is reconciling monthly.



Dave Yost • Auditor of State

VILLAGE OF NORTH BALTIMORE

WOOD COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 24, 2015**