



Dave Yost • Auditor of State

November 16, 2017

The Honorable Gayle Brown, Mayor
Village of Bloomingburg
62 Main Street
Bloomingburg, OH 43106

Dear Mayor Brown:

On December 17, 2013, the Village of Bloomingburg (the Village) was declared to be in a state of fiscal caution by the Auditor of State. The declaration was based on a review of the Village's financial records on November 4, 2013. The 2011-2012 financial audit included significant deficiencies, material weaknesses and direct and material noncompliance with Ohio law including negative cash fund balance, multiple overpayments to vendors, receipts incorrectly posted to wrong receipt codes, disbursements being made from incorrect funds and the lack of the Village of Bloomingburg certifying purchases. And based on a review of fund financial data for the Village of Bloomingburg at December 31, 2012, the Village had a general fund deficit balance in the amount of \$28,819. The deficit exceeded two percent of estimated revenues by \$26,825. Based on a review of fund financial data at November 30, 2013, the Village had a general fund deficit balance in the amount of \$28,011. The deficit exceeded two percent of estimated revenues by \$23,685.

Over the past years, the Local Government Services Section of the Auditor of State's Office has met with the Fiscal Officer to review the actions taken to eliminate these deficiencies. A summary of our review of the Village's progress in resolving the deficiencies that led to the Declaration of Fiscal Caution on December 17, 2013, follows.

Deficit Fund Balances

Deficiency: The Village had a general fund deficit balance at December 31, 2012 and November 30, 2013 in the amount of \$28,819 and \$28,011, respectively.

Resolution: The Village prepared a Fiscal Recovery Plan that included six actions that would reduce expenditures in the general fund by \$26,800. The Village has implemented all six actions listed in the Fiscal Recovery Plan and as a result, the Village of Bloomingburg had no deficit funds as of September 30, 2017. The general fund balance was \$109,441 at September 30, 2017.

Correction of Financial Audit Deficiencies

Deficiency: The Village should identify and correct significant deficiencies, material weaknesses, and direct and material noncompliance citations with Ohio law as addressed in the Schedule of Findings and in the Management Letter that accompanied the Village's financial audit report for 2011 and 2012.

Resolution: The Village has corrected the significant deficiencies, material weaknesses, and direct and material noncompliance with Ohio law as outlined in the 2011 2012 audit as follows:

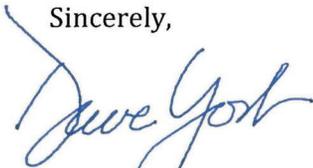
- The Village no longer has funds with negative cash balances due to the implementation of the items in the Fiscal Recovery Plan.
- The Village makes payments to vendors in a timely manner to avoid the possibility of making overpayments.
- The Village uses the Chart of Accounts within the Uniform Accounting Network system to post receipts and disbursements to the correct funds.
- The Village uses the encumbrance method to properly certify purchases.

Conclusion:

The Village of Bloomingburg has made satisfactory progress in correcting the deficiencies listed above and the Village's fiscal caution status under Section 118.025 of the Ohio Revised Code has been terminated.

My sincere congratulations and hope for continued success to the Village of Bloomingburg in maintaining financial stability in future years.

Sincerely,



Dave Yost
Auditor of State

cc: Donald Fleak, President Pro-Tempore, Village Council
Lorie Johnson, Fiscal Officer
Robert R. Hinkle, Chief Deputy Auditor
Unice S. Smith, Chief of Local Government Services
April C. Davis, Chief Project Manager, Local Government Services
Loren S. Crisp, Chief Auditor