



Dave Yost • Auditor of State

VILLAGE OF BRADFORD
MIAMI COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Bradford
Miami County
115 North Miami Street
Bradford, Ohio 45308

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Bradford, Miami County, (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 these 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 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 cash balances of the Village of Bradford, Miami County, 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 Matters

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Federal Award 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 October 28, 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.

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

October 28, 2014

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**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$24,207	\$155,906	\$180,113
Municipal Income Tax	137,085		137,085
Intergovernmental	64,022	446,431	510,453
Special Assessments		43,885	43,885
Fines, Licenses and Permits	19,377		19,377
Earnings on Investments	965		965
Miscellaneous	4,382	5,150	9,532
Total Cash Receipts	<u>250,038</u>	<u>651,372</u>	<u>901,410</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	163,183	114,509	277,692
Leisure Time Activities	3,672		3,672
Community Environment		331,255	331,255
Transportation		133,242	133,242
General Government	123,453		123,453
Debt Service:			
Principal Retirement		47,040	47,040
Total Cash Disbursements	<u>290,308</u>	<u>626,046</u>	<u>916,354</u>
Excess of Receipts Over (Under) Disbursements	<u>(40,270)</u>	<u>25,326</u>	<u>(14,944)</u>
Other Financing Receipts (Disbursements):			
Sale of Capital Assets	59,622		59,622
Total Other Financing Receipts (Disbursements)	<u>59,622</u>		<u>59,622</u>
Net Change in Fund Cash Balances	19,352	25,326	44,678
Fund Cash Balances, January 1	<u>76,190</u>	<u>221,816</u>	<u>298,006</u>
Fund Cash Balances, December 31:			
Restricted		247,142	247,142
Unassigned (Deficit)	95,542		95,542
Fund Cash Balances, December 31	<u>\$95,542</u>	<u>\$247,142</u>	<u>\$342,684</u>

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

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$859,265		\$859,265
Miscellaneous	4,600		4,600
Total Operating Cash Receipts	<u>863,865</u>		<u>863,865</u>
Operating Cash Disbursements:			
Personal Services	214,994		214,994
Contractual Services	192,614		192,614
Supplies and Materials	89,714		89,714
Total Operating Cash Disbursements	<u>497,322</u>		<u>497,322</u>
Operating Income (Loss)	<u>366,543</u>		<u>366,543</u>
Non-Operating Receipts (Disbursements):			
Special Assessments	206		206
Other Debt Proceeds	2,705,846		2,705,846
Intergovernmental	152,347		152,347
Sale of Capital Assets	1,000		1,000
Miscellaneous Receipts	39,499		39,499
Capital Outlay	(2,943,521)		(2,943,521)
Principal Retirement	(84,406)		(84,406)
Interest and Other Fiscal Charges	(9,742)		(9,742)
Other Financing Sources	509		509
Total Non-Operating Receipts (Disbursements)	<u>(138,262)</u>		<u>(138,262)</u>
Net Change in Fund Cash Balances	228,281		228,281
Fund Cash Balances, January 1	<u>594,833</u>	<u>1,201</u>	<u>596,034</u>
Fund Cash Balances, December 31	<u>\$823,114</u>	<u>\$1,201</u>	<u>\$824,315</u>

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

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$23,767	\$153,044	\$176,811
Municipal Income Tax	143,056		143,056
Intergovernmental	84,711	146,732	231,443
Special Assessments		45,440	45,440
Fines, Licenses and Permits	19,585		19,585
Earnings on Investments	1,987		1,987
Miscellaneous	2,689	374	3,063
Total Cash Receipts	<u>275,795</u>	<u>345,590</u>	<u>621,385</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	150,179	54,581	204,760
Community Environment		33,745	33,745
Transportation	3,914	134,854	138,768
General Government	120,575		120,575
Debt Service:			
Principal Retirement		59,662	59,662
Total Cash Disbursements	<u>274,668</u>	<u>282,842</u>	<u>557,510</u>
Net Change in Fund Cash Balances	1,127	62,748	63,875
Fund Cash Balances, January 1	<u>75,063</u>	<u>159,068</u>	<u>234,131</u>
Fund Cash Balances, December 31:			
Restricted		221,816	221,816
Unassigned (Deficit)	76,190		76,190
Fund Cash Balances, December 31	<u>\$76,190</u>	<u>\$221,816</u>	<u>\$298,006</u>

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

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$761,609		\$761,609
Miscellaneous	2,276		2,276
Total Operating Cash Receipts	<u>763,885</u>		<u>763,885</u>
Operating Cash Disbursements:			
Personal Services	203,329		203,329
Contractual Services	194,498		194,498
Supplies and Materials	95,626		95,626
Total Operating Cash Disbursements	<u>493,453</u>		<u>493,453</u>
Operating Income (Loss)	<u>270,432</u>		<u>270,432</u>
Non-Operating Receipts (Disbursements):			
Special Assessments	2,282		2,282
Intergovernmental	747,652		747,652
Other Debt Proceeds	713,511		713,511
Capital Outlay	(1,499,036)		(1,499,036)
Principal Retirement	(127,744)		(127,744)
Interest and Other Fiscal Charges	(27,528)		(27,528)
Other Financing Sources	135		135
Total Non-Operating Receipts (Disbursements)	<u>(190,728)</u>		<u>(190,728)</u>
Net Change in Fund Cash Balances	79,704		79,704
Fund Cash Balances, January 1	<u>515,129</u>	<u>1,201</u>	<u>516,330</u>
Fund Cash Balances, December 31	<u><u>\$594,833</u></u>	<u><u>\$1,201</u></u>	<u><u>\$596,034</u></u>

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

**VILLAGE OF BRADFORD
MIAMI 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 Bradford, Miami 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, refuse services, and park operations. The Village contracts with the Miami County Sheriff's department to provide security of persons and property. The Village contracts with the Bradford Fire and Rescue Volunteer Fire Department to receive fire protection services.

The Village participates in the Ohio Municipal Joint Self-Insurance Pool. Note 8 to the financial statements provides additional information for this entity.

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

The Village's cash is deposited in checking and savings accounts.

D. Fund Accounting

The Village uses fund accounting to segregate cash that is 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:

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

Street Light Fund - This fund receives funds from assessments on street lights in the Village.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fire Levy Fund - This fund receives funds through property taxes to pay for fire protection for the Village.

Community Development Block Grant (CDBG) Fund - This fund receives proceeds from the Community Development Block Grant Program passed through Miami County. The proceeds were used for various community projects.

3. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

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

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs. Additionally, the fund receives various grants and loans to cover the costs of major sewer projects.

Refuse Fund - This fund receives charges for services from residents to cover refuse service costs.

4. 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. The Village has no trust 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 accounts for the Mayor's Court Fund. This fund receives revenue from fines and fees issued by the Mayor's Court, which are then distributed to other governments. The Village's Mayor's Court was abolished in a previous year; however, funds remain in the account at December 31, 2013.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. The Village did not use the encumbrance method of accounting.

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

F. Fund Balance

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

1. Non-spendable

The Village classifies assets as non-spendable 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.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

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

	2013	2012
Demand deposits	\$1,166,999	\$894,040

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$313,129	\$309,660	(\$3,469)
Special Revenue	322,369	651,372	329,003
Enterprise	3,639,127	3,763,272	124,145
Agency			
Total	\$4,274,625	\$4,724,304	\$449,679

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$386,840	\$290,308	\$96,532
Special Revenue	543,072	626,046	(82,974)
Enterprise	4,233,960	3,534,991	698,969
Agency	650		650
Total	\$5,164,522	\$4,451,345	\$713,177

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

3. BUDGETARY ACTIVITY

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$280,407	\$275,795	(\$4,612)
Special Revenue	309,165	345,590	36,425
Enterprise	2,204,835	2,227,465	22,630
Agency			
Total	\$2,794,407	\$2,848,850	\$54,443

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$355,487	\$274,668	\$80,819
Special Revenue	468,235	282,842	185,393
Enterprise	2,719,965	2,147,761	572,204
Agency	650		650
Total	\$3,544,337	\$2,705,271	\$839,066

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.

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.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

6. DEBT

Debt outstanding at December 31, 2013 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority (#3752)	\$331,269	4.84%
Ohio Water Development Authority (#3147)	\$57,143	6.04%
Ohio Water Development Authority (#4135)	\$146,989	0.00%
Ohio Water Development Authority (#4430)	\$641,976	0.00%
Ohio Water Development Authority (#5972)	\$2,182,327	0.00%
Ohio Public Works Commission (CT34H)	\$27,000	0.00%
Ohio Public Works Commission (CT221)	\$67,500	0.00%
Ohio Public Works Commission (CT23J)	\$80,840	0.00%
Ohio Public Works Commission (CK13P)	\$1,237,029	0.00%
Kansas State Bank of Manhattan - Street Sweeper Lease	33,778	5.05%
Total	<u>\$4,805,851</u>	

The Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC) loans relate to water and sewer plant improvements and reconstruction of streets. OWDA and OPWC loans will be paid in semiannual installments, including interest, over twenty years. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Kansas State Bank of Manhattan debt relates to a lease of the Village's street sweeper that was acquired in 2009.

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

<u>Year ending December 31:</u>	<u>OPWC Loans</u>	<u>OWDA Loans</u>	<u>Street Sweeper Lease</u>	<u>Total</u>
2014	\$12,825	\$122,210	\$18,179	\$153,214
2015	12,825	122,207	18,179	153,211
2016	12,825	122,211		135,036
2017	12,825	100,817		113,642
2018	12,825	100,817		113,642
2019-2023	64,125	504,082		568,207
2024-2028	47,090	202,594		249,684
Total	<u>\$175,340</u>	<u>\$1,274,938</u>	<u>\$36,358</u>	<u>\$1,486,636</u>

Ohio Water Development Authority Loan #5972 and Ohio Public Works Commission Loan #CK13P have yet to be finalized, and no amortization schedules exist as of the date of this report. Therefore, those loan balances have not been included in the table above.

7. RETIREMENT SYSTEMS

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. 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 2013 and 2012, 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, 2013.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

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

8. RISK MANAGEMENT

Risk Pool Membership

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool changed its fiscal year end to March 31, effective in 2011, in order to align its financial reporting and budgeting with the renewal terms of its excess reinsurance policies.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2013, retention levels are \$100,000 and \$175,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained surplus at March 31, 2013 and 2012 (the latest information available):

	<u>2013</u>	<u>2012</u>
Assets	\$833,561	\$1,097,683
Liabilities	(782,525)	(791,222)
Accumulated Surplus	<u>\$51,036</u>	<u>\$306,461</u>

9. SUBSEQUENT EVENT

On April 27, 2014, the Village awarded a \$253,220 contract to Wagner Paving for the asphalt portion of the sewer separation project.

10. NONCOMPLIANCE

The Village failed to properly classify various transactions in its books and properly present its annual report as required by law.

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VILLAGE OF BRADFORD
MIAMI COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development			
<i>Passed through Ohio Department of Development</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	C-W-10-2KX-1	14.228	\$490,000
<i>Passed through Miami County</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-F-11-1BY-1	14.228	<u>33,745</u>
Total U.S. Department of Housing and Urban Development			<u>523,745</u>
Total Federal Financial Assistance			<u><u>523,745</u></u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the Village of Bradford's (the Village's) federal award programs' expenditures. The Schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the Village to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



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 Bradford
Miami County
115 North Miami Street
Bradford, Ohio 45308

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 Bradford, Miami County, (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 October 28, 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.

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 certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 2013-002 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2013-001 and 2013-002.

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.



Dave Yost
Auditor of State

Columbus, Ohio

October 28, 2014



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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 Bradford
Miami County
115 North Miami Street
Bradford, Ohio 45308

To the Village Council:

Report on Compliance for the Major Federal Program

We have audited the Village of Bradford'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 of Bradford's major federal program for the year ended December 31, 2012. 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.

Opinion on the Major Federal Program

In our opinion, the Village of Bradford complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings as item 2013-003. This finding did not require us to modify our compliance opinion on the major federal program.

The Village's response to our noncompliance finding is described in the accompanying schedule of findings. We did not audit the Village's responses 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 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.



Dave Yost
Auditor of State

Columbus, Ohio

October 28, 2014

**VILLAGE OF BRADFORD
MIAMI COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013 AND 2012**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii CFDA #14.228
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

FINDING NUMBER 2013-001

Noncompliance

Ohio Rev. Code Section 5705.41(D)(1) states that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

FINDING NUMBER 2013-001
(Continued)

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 the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates and super blanket certificates, which are provided for in the sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- A. "Then and Now" Certificate** - If the fiscal officer can certify that both at the time the contract or order was made ("then") and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from 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 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.
- B. Blanket Certificate** - Fiscal officers may prepare "blanket" certificates for a certain sum of money not to exceed an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal. 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.
- C. Super Blanket Certificate** - The Village may also make expenditures and contract for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. The certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

The Village did not properly encumber any of expenditures tested during 2013 and 2012 because the Village failed to complete purchase orders of any kind. The failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Village should certify that the funds are or will be available prior to the obligation. When prior certification is not possible, "then and now" certification should be used.

Officials' Response:

We did not receive a response from Village Officials to this finding.

FINDING NUMBER 2013-002

Noncompliance and Material Weakness

Ohio Rev. Code Section 733.28 states, in part, that the Village Clerk should keep the books of the Village and exhibit accurate statements of all monies received and expended. The Village utilized a computerized accounting system to record its accounting transactions; however, the Village did not have revenue codes established for all revenue sources, and the Village Clerk-Treasurer prepared the annual financial statements manually by labeling amounts in the revenue ledger as to where they are to be reported on the financial statements. Additionally, the Village's December 31, 2012 accounting system fund balance report did not match fund balance amounts on the annual financial statements due to adjustments the Clerk-Treasurer made in the accounting system in February 2013 that impacted 2012 results but were not posted to the accounting system in 2012. These items have been included in the 2012 audited financial statements. The Village did not properly classify receipt and disbursement transactions for the following transactions in the 2013 and 2012 financial statements:

- The 2012 beginning fund cash balances, which were adjusted in the prior audit period, for the General Fund and Agency Fund did not agree to the December 31, 2011 audited ending fund balances. The General Fund was overstated by \$17, and the Agency Fund was understated by \$551.
- The Village received personal property tax loss reimbursements and erroneously posted the receipts to the Street Fund instead of the General Fund. During 2013 and 2012, General Fund intergovernmental receipts were understated by \$1,239 and \$2,478, respectively.
- The Village received its State gas tax receipts via electronic deposit. The Village received its June 2012 gas tax receipt in the amount of \$3,592 and carried the receipt as a reconciling difference on its bank reconciliation for eight months until it was posted to the accounting system during 2013. In accordance with **Ohio Rev. Code Section 5735.28**, the receipt was to be allocated 92.5% to the Street Fund and 7.5% to the State Highway Fund. The Village properly recorded the receipt to the Street Fund and State Highway Fund in February 2013. As a result, 2012 intergovernmental receipts and cash balances were understated and 2013 intergovernmental receipts were overstated in the Street and State Highway Fund by \$3,323 and \$269, respectively. Because this item was eventually properly posted in the Village's accounting system, no adjustment to the Village's accounting system was necessary.
- The Village undertook a construction project related to its wastewater treatment plant during 2013 and 2012 and received funding from Ohio Water Development Authority (OWDA) loans, Ohio Public Works Commission (OPWC) grants, and Community Development Block Grant (CDBG) grants. During 2013 and 2012, the Village recorded all of these receipts and disbursements to the Sewer Operating Fund as miscellaneous receipts or intergovernmental receipts and capital outlay disbursements. The OWDA loan receipts should have been recorded as other debt proceeds in the Sewer Operating Fund, the CDBG grant receipts and corresponding disbursements should have been recorded in a separate CDBG Enterprise Fund as intergovernmental receipts and capital outlay disbursements, and as discussed in **Auditor of State Bulletin 2002-004**, the Village should have recorded an intergovernmental receipt and capital outlay disbursement in an OPWC Enterprise Fund equal to the amounts disbursed by OPWC on behalf of the Village. Additionally, according to Bulletin 2002-004, the Village shall include in its amended certificate of estimated resources and appropriations measures the amounts to be received on its behalf. The Village did not update its amended certificate of estimated resources or appropriations for these funds in 2013 or 2012. During 2013, the Village should have recorded \$1,505,084 as Sewer Operating Fund other debt proceeds instead of miscellaneous revenue, \$10,000 as CDBG Enterprise Fund intergovernmental receipts instead of miscellaneous revenue, and \$142,348 as OPWC Enterprise Fund intergovernmental receipts instead of miscellaneous revenue. During 2012, the Village should have recorded \$677,244 as Sewer Operating Fund other debt proceeds instead of miscellaneous revenue, \$490,000 as CDBG Enterprise Fund intergovernmental receipts and capital outlay disbursements, and \$257,652 as OPWC Enterprise Fund intergovernmental receipts instead of miscellaneous revenue.

FINDING NUMBER 2013-002
(Continued)

- The Village also undertook a construction project related to the northwest sewer quadrant during 2013 and 2012 and received funding from Ohio Public Works Commission (OPWC) loans. During 2013 and 2012, the Village recorded all of these receipts and disbursements to the Sewer Fund as miscellaneous receipts and capital outlay disbursements. As explained in **Auditor of State Bulletin 2002-004**, the Village should have recorded an intergovernmental receipt and capital outlay disbursement in an OPWC Enterprise Fund equal to the amounts disbursed by OPWC on behalf of the Village. Additionally, according to Bulletin 2002-004, the Village shall include in its amended certificate of estimated resources and appropriations measures the amount to be received. The Village did not update its amended certificate of estimated resources or appropriations for these funds in 2013 or 2012. During 2013, the Village should have recorded \$670,271 in a separate OPWC Enterprise Fund as other debt proceeds instead of miscellaneous revenue. During 2012, the Village should have recorded \$36,267 in a separate OPWC Enterprise Fund as other debt proceeds instead of miscellaneous revenue.
- Additionally, OPWC disbursed, on behalf of the Village, \$530,491 in December 2013 for the northwest sewer quadrant, but the Village did not record this activity in its accounting system until February 2014. As a result, 2013 OPWC Enterprise Fund other debt proceeds and capital outlay disbursements were understated by this amount.
- During 2013, the Village received \$6,183 in CDBG funding from Miami County for reimbursements related to expenditures at the Village's park. The Village recorded the receipt on its 2013 annual financial statements as General Fund transfers in, and the disbursement was recorded as General Fund general government. The Village should have recorded the receipt and disbursement to the CDBG Special Revenue Fund as intergovernmental receipts and community environment disbursements.
- During 2012, the Village received \$2,925 in CDBG funding from Miami County for reimbursements for expenditures to repair a parking lot. The Village recorded the receipt on its 2012 annual financial statements as General Fund intergovernmental revenue, and the disbursement was recorded as General Fund general government. The Village should have recorded the receipt and disbursement to the CDBG Special Revenue Fund as intergovernmental receipts and community environment disbursements.
- The Village's 2013 annual financial statements showed \$8,103 as General Fund transfers in. Of that amount, \$6,183 was for the CDBG funding noted above, and the remaining \$1,920 was for General Fund miscellaneous receipts and should have been recorded as General Fund miscellaneous receipts.
- In a previous audit period, the Village entered into a subrecipient agreement with Miami County for Miami County to disburse CDBG funds on the Village's behalf for various community development projects, including parks and recreation facilities, parking facilities, street improvements, sidewalk improvements, and flood and drainage facilities. Because the Village received the benefit of these expenditures, the Village should have recorded corresponding receipts and disbursements in a CDBG Special Revenue Fund as intergovernmental receipts and community development disbursements. In 2013 and 2012, Miami County spent \$325,073 and \$30,820, respectively, that was not included on the Village's annual financial statements.
- The Village had a capital lease for a street sweeper. During 2013, the Village recorded a portion of the lease payments in the Street Fund in the amount of \$15,000 as transportation disbursements instead of principal repayment.

The accompanying financial statements have been adjusted for all of the above misstatements. The Village's accounting system was adjusted for any errors noted above that impacted fund balances.

**FINDING NUMBER 2013-002
(Continued)**

The following misstatements were not adjusted in the accompanying financial statements:

- During 2012, the Village improperly recorded debt principal and interest payments in the Water and Sewer Operating Funds. Water Operating Fund principal payments were understated and interest payments were overstated by \$3,960. Sewer Operating Fund principal payments and interest payments were understated by \$6,812 and \$543, respectively, and operating disbursements were overstated by \$7,355.
- During 2013, the Village improperly recorded debt principal and interest payments in the Water Operating Fund. Water Fund interest payments were understated and principal payments were overstated by \$11,684.
- During 2013 and 2012, the Village recorded a portion of the street sweeper lease payments in the State Highway Special Revenue Fund in the amount of \$3,179 as transportation disbursements instead of principal repayment in each year.
- During 2013 and 2012, the Village did not separately record the interest portion of its lease payments as interest and instead recorded it all as principal payments in the Special Revenue Funds. In 2013 and 2012, interest payments in the Village's Special Revenue Funds were understated by \$3,252 and \$4,014, respectively.
- During 2012, the Village recorded the principal and interest portions of its lease payments as general government disbursements in the General Fund. In 2012, lease principal and interest payments in the General Fund were understated by \$7,656 and \$597, respectively.
- During 2013 and 2012, the Village recorded the principal and interest portions of its lease payments as operating disbursements in the Sewer Operating Fund. In 2013 and 2012, lease principal and interest payments in the Sewer Operating Fund were understated by \$11,430 and \$736 and \$10,738 and \$1,428, respectively.

The Village should develop and implement procedures to verify accurate recordkeeping of all its activities. The Village Clerk-Treasurer should establish unique account codes in the accounting system for recording all revenue and disbursement items to aid in the preparation of the annual financial report. The Clerk-Treasurer should also create separate funds to track grant money by source and by project to maintain accountability for all funds. Any on-behalf disbursements should be recorded timely as a memo receipt and disbursement on the Village's accounting system. Failure to maintain complete accountability of public monies could increase the possibility of funds being altered, impaired, lost or stolen. Additionally, independent detailed reviews should be performed over the Village's accounting records as a means of providing for their accuracy.

Officials' Response:

We did not receive a response from Village Officials to this finding.

3. FINDINGS FOR FEDERAL AWARDS

Noncompliance

Finding Number	2013-003
CFDA Title and Number	14.228 – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii
Federal Award Number / Year	C-W-10-2KX-1 and B-F-11-1BY-1
Federal Agency	United States Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development and Miami County

OMB Circular A-133 Subpart C Section 320(a) & (b) requires the Village to submit the Federal Single Audit data collection form described in Section 320(b) and the reporting package described in Section 320(c) within the earlier of thirty days after receipt of the auditor’s report, or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

The Village was unaware of the fact that it qualified for a single audit for 2012 as a result of expending more than \$500,000 in federal funding during 2012. Therefore, the Village did not submit the December 31, 2012 data collection form or the reporting package within either of the two prescribed time limits.

Failure to complete and submit the Federal Single Audit data collection form described in Section 320(b) and the reporting package described Section 320(c) will result in the Village’s designation as a high risk auditee requiring additional testing of federal programs in the subsequent audit period, if applicable, and the possible loss of federal funding. The Village should implement procedures and controls to assist in identification of federal programs and a required single audit. If applicable, the Village should notify the Auditor of State that it qualifies for a single audit in a timely manner so that appropriate audit procedures can be performed and timely submissions completed.

Officials’ Response:

See page 30 for the Village’s corrective action plan.

**VILLAGE OF BRADFORD
MIAMI COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-01	Ohio Rev. Code Section 5705.41(D)(1) – Failure to properly encumber disbursements	No	Repeated as Finding Number 2013-001
2011-02	Ohio Rev. Code Section 733.28 – Material financial statement errors	No	Repeated as Finding Number 2013-002
2011-03	Ohio Rev. Code Section 5705.10(H) – Failure to properly post items to the correct fund	Yes	

VILLAGE OF BRADFORD
MIAMI COUNTY

CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
DECEMBER 31, 2012

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2013-003	The Village is clear on requirements on federal program funding received and has implemented further checkpoints with Administration when receiving funding over the threshold amount. This includes any on behalf money received through the county.	Immediate	Brenda Selanders, Clerk-Treasurer



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VILLAGE OF BRADFORD

MIAMI 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
NOVEMBER 13, 2014**