

**VILLAGE OF NEW BLOOMINGTON**

**SINGLE AUDIT**

January 1, 1998 - December 31, 1999



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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Members of Village Council  
Village of New Bloomington

We have reviewed the Independent Auditor's Report of the Village of New Bloomington, Marion County, prepared by Reichert & Associates, CPA'S for the audit period January 1, 1998 through December 31, 1999. 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 New Bloomington is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

November 21, 2000

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

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**REICHERT & ASSOCIATES, CPA'S**

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**Independent Auditor's Report**

Village of New Bloomington  
New Bloomington, Ohio 43341

To the Members of the Village Council

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

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Village, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

September 29, 2000  
Findlay, Ohio

**REICHERT & ASSOCIATES, CPA'S**  
Certified Public Accountants

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY, OHIO**

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

	<b>General</b>	<b>Special Revenue</b>	<b>Total (Memorandum Only)</b>
<b>Cash receipts:</b>			
Local taxes	3,505	2,291	\$5,796
Intergovernmental	24,130	11,333	35,463
Special assessments	1,317	0	1,317
Interest Income	1,105	1,313	2,418
Charges for services	15,009	0	15,009
Fines, licenses, and permits	1,228	0	1,228
Miscellaneous	17,251	0	17,251
	63,545	14,937	78,482
<b>Cash disbursements:</b>			
Current:			
Security of persons and property	21,016	6,397	27,413
Conservation - Recreation	11,841	0	11,841
Transportation	0	6,045	6,045
General government	28,568	0	28,568
Capital outlay	0	36,500	36,500
	61,425	48,942	110,367
Total cash receipts	63,545	14,937	78,482
Total cash disbursements	61,425	48,942	110,367
Total receipts over/(under) program disbursements	2,120	(34,005)	(31,885)
<b>Other financing receipts/(disbursements):</b>			
Proceeds of notes	0	36,500	36,500
Sale of fixed assets	1,130	0	1,130
	1,130	36,500	37,630
Total other financing receipts/(disbursements)	1,130	36,500	37,630
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	3,250	2,495	5,745
Fund cash balances January 1, 1999	17,612	27,949	45,561
Fund cash balances, December 31, 1999	\$20,862	\$30,444	\$51,306
Reserve for encumbrances, December 31, 1999	0	0	\$0

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

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<b>Enterprise</b>
<b>Operating cash receipts:</b>	
Charges for services	72,898
Miscellaneous	4,060
	76,958
Total operating cash receipts	76,958
<b>Operating cash disbursements:</b>	
Personal services	2,192
Contractual services	41,772
Capital outlay	120
	44,084
Total operating cash disbursements	44,084
Operating income/(loss)	32,874
<b>Non-operating cash receipts:</b>	
Proceeds of notes	69,245
	69,245
Total non-operating cash receipts	69,245
<b>Non-operating cash disbursements:</b>	
Debt service - Principal Retirement	28,316
Debt service - Interest and Fiscal Charges	32,639
Other non-operating cash disbursements	64,245
	125,200
Total non-operating cash disbursements	125,200
Net receipts over disbursements	(23,081)
Fund cash balances, January 1, 1999	88,987
Fund cash balances, December 31, 1999	\$65,906
Reserve for encumbrances, December 31, 1999	0

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

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY, OHIO**

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

	General	Special Revenue	Total (Memorandum Only)
<b>Cash receipts:</b>			
Local taxes	2,455	2,308	\$4,763
Intergovernmental	12,794	10,742	23,536
Special assessments	1,772	0	1,772
Interest Income	1,452	2,439	3,891
Charges for services	15,000	0	15,000
Fines, licenses, and permits	2,227	0	2,227
Miscellaneous	7,177	0	7,177
	<hr/>	<hr/>	<hr/>
Total cash receipts	42,877	15,489	58,366
<b>Cash disbursements:</b>			
Current:			
Security of persons and property	6,345	4,895	11,240
Public health services	440	0	440
Conservation - Recreation	13	0	13
Transportation	5,660	21,232	26,892
General government	35,129	0	35,129
Debt Service:			
Redemption of principal	30,000	0	30,000
Interest	5,189	0	5,189
Capital outlay	5,000	0	5,000
	<hr/>	<hr/>	<hr/>
Total program disbursements	87,776	26,127	113,903
Total receipts over/(under) program disbursements	<hr/> (44,899)	<hr/> (10,638)	<hr/> (55,537)
<b>Other financing receipts/(disbursements):</b>			
Sale of fixed assets	32,265	1,149	33,414
	<hr/>	<hr/>	<hr/>
Total other financing receipts/(disbursements)	32,265	1,149	33,414
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	<hr/> (12,634)	<hr/> (9,489)	<hr/> (22,123)
Fund cash balances January 1, 1998	<hr/> 30,246	<hr/> 37,438	<hr/> 67,684
Fund cash balances, December 31, 1998	<hr/> \$17,612	<hr/> \$27,949	<hr/> \$45,561
Reserve for encumbrances, December 31, 1998	<hr/> 13,889	<hr/> 6,187	<hr/> \$20,076

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

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998

	<b>Enterprise</b>
<b>Operating cash receipts:</b>	
Charges for services	77,087
Miscellaneous	1,151
	<u>78,238</u>
Total operating cash receipts	<u>78,238</u>
<b>Operating cash disbursements:</b>	
Personal services	10,505
Contractual services	231,480
Supplies and materials	1,399
	<u>243,384</u>
Total operating cash disbursements	<u>243,384</u>
Operating income/(loss)	<u>(165,146)</u>
<b>Non-operating cash receipts:</b>	
Proceeds from notes	573,542
Miscellaneous	6,336
Intergovernmental revenues	95,000
	<u>674,878</u>
Total non-operating cash receipts	<u>674,878</u>
<b>Non-operating cash disbursements:</b>	
Debt service - Principal Retirement	446,858
Debt service - Interest and Fiscal Charges	66,935
	<u>513,793</u>
Total non-operating cash disbursements	<u>513,793</u>
Net receipts over disbursements	(4,061)
Fund cash balances, January 1, 1998	<u>93,048</u>
Fund cash balances, December 31, 1998	<u>\$88,987</u>
Reserve for encumbrances, December 31, 1998	<u>20,587</u>

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

**VILLAGE OF NEW BLOOMINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The Village of New Bloomington, Marion County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a Council-Mayor form of government. The Village provides general governmental services, including sewer utilities and fire services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village has the ability to exercise direct operating control.

**B. BASIS OF ACCOUNTING**

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

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

**C. EQUITY IN POOLED CASH**

The Village maintains a cash pool used by all funds. Each fund type's portion of this pool is displayed on the Combined Statement of Cash and Fund Cash Balances. Certificates of deposit are valued at cost.

**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:

Governmental Funds

General Fund - The general fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

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

**VILLAGE OF NEW BLOOMINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

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

State Highway Improvement Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village state highways.

Motor Vehicle License Tag Fund - This fund receives permissive tax money for maintaining and repairing Village streets.

Fire Levy Fund - This fund receives local tax money for fire fighting, prevention, and inspection of the Village.

Proprietary Funds

Enterprise Fund - This fund accounts for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant enterprise fund:

Sanitary Sewer Fund - Receives charges for services from residents to cover the cost of providing this utility. The sanitary sewer project was financed with federal grants and temporary revenue bonds of the Village.

**E. BUDGETARY PROCESS**

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

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 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.

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 NEW BLOOMINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

Encumbrances:

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated in the subsequent year.

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

**F. PROPERTY, PLANT, AND EQUIPMENT**

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

**G. TOTAL COLUMNS ON FINANCIAL STATEMENTS**

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

**NOTE 2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 117,212	\$ 97,980
Certificates of deposit	<u>0</u>	<u>36,567</u>
Total cash and cash equivalents	<u>\$ 117,212</u>	<u>\$ 134,547</u>

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village, or (3) collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF NEW BLOOMINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

**NOTE 3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 23,480	\$ 64,675	\$41,195
Special Revenue	13,785	51,437	37,652
Enterprise	<u>76,776</u>	<u>146,203</u>	<u>69,427</u>
Total	<u>\$114,041</u>	<u>\$262,315</u>	<u>\$148,274</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 57,765	\$ 61,425	\$ (3,660)
Special Revenue	39,324	48,942	(9,618)
Enterprise	<u>160,239</u>	<u>169,284</u>	<u>(9,045)</u>
Total	<u>\$ 257,328</u>	<u>\$ 279,651</u>	<u>\$ (22,323)</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 38,000	\$ 75,142	\$ 37,142
Special Revenue	15,885	16,638	753
Enterprise	<u>263,000</u>	<u>753,116</u>	<u>490,116</u>
Total	<u>\$ 316,885</u>	<u>\$ 844,896</u>	<u>\$ 528,011</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 68,046	\$ 101,665	\$ (33,619)
Special Revenue	53,437	32,314	21,123
Enterprise	<u>263,000</u>	<u>777,764</u>	<u>(514,764)</u>
Total	<u>\$ 384,483</u>	<u>\$ 911,743</u>	<u>\$ (527,260)</u>

**VILLAGE OF NEW BLOOMINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

**NOTE 4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following period. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the fiscal years ended December 31, 1998 and 1999 was \$4.00 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$4.00 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$3.46 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. Homestead and rollback amounts are then reimbursed by the State of Ohio, and are reflected in the accompanying financial statements as Intergovernmental Receipts.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for fiscal years ended December 31, 1998 and 1999 was \$4.00 per \$1,000 of assessed valuation.

Real Property	<u>1997 Valuation</u>	<u>1998 Valuation</u>
Residential/Agricultural	\$715,640	\$1,174,360
Commercial/Industrial	304,110	304,110
Public Utilities	2,320	2,300
 Tangible Personal Property		
General	101,230	140,230
Public Utilities	<u>180,090</u>	<u>185,450</u>
Total Valuation	<u>\$1,303,390</u>	<u>\$1,806,450</u>

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

**VILLAGE OF NEW BLOOMINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

**NOTE 5. DEBT**

Debt activity over the past two years was as follows:

	Principal Balance <u>12/31/97</u>	Debt Issued	Debt Redeemed	Principal Balance <u>12/31/99</u>
Wastewater Treatment Project Temporary Revenue Bond	\$ 445,000	\$ 0	\$ 445,000	\$ 0
Sewerage System Note	25,000	0	25,000	0
Capital Leases	30,000	36,500	30,000	36,500
Ohio Water Development Authority Note	0	197,787	5,174	192,613
U. S. Dept. of Agriculture, Rural Development Note	<u>0</u>	<u>445,000</u>	<u>0</u>	<u>445,000</u>
Total	<u>\$500,000</u>	<u>\$679,287</u>	<u>\$505,174</u>	<u>\$674,113</u>

The note from Ohio Water Development Authority (OWDA) was granted as part of the entire sewer project. The note is payable in semi-annual payments of \$7,588 until July 1, 2023. The figures used in the table below were estimates based on the current balance and the above payment. A final amortization schedule was not available from OWDA. The final amortization schedule will be sent to the village with their January 1, 2001 payment request.

The note issued by the U. S. Department of Agriculture (USDA), Rural Development was used to retire the temporary revenue bond listed above. The note is payable annually, with only interest due in 1999, 2000, and 2001. Principal and interest payments of \$24,715 are due starting in 2002, and continue through 2038.

Amortization of the above debt is scheduled as follows:

Year ending December 31:	Principal	Interest	Total
2000	2,031	25,582	27,613
2001	4,239	30,962	35,201
2002	9,376	30,514	39,890
2003	9,860	30,031	39,891
2004	10,366	29,524	39,890
Subsequent	<u>601,741</u>	<u>522,217</u>	<u>1,123,958</u>
Total	<u>\$637,613</u>	<u>\$ 668,830</u>	<u>\$ 1,306,443</u>

**VILLAGE OF NEW BLOOMINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 1999 and 1998**

**NOTE 6. LEASE OBLIGATIONS**

In 1998, the Village completed payment on its former lease obligation through sale of the asset and in 1999 acquired a used 1984 Chevrolet Pumper Fire Truck with Newton Dump Valve through National City Bank on another lease purchase agreement. The new lease agreement was \$36,500.

A listing of the changes in capital lease obligations for the village for years ended December 31, 1998 and 1999 follows:

	<u>Balance</u> <u>12/31/97</u>	<u>Amount</u> <u>Issued</u>	<u>Amount</u> <u>Retired</u>	<u>Balance</u> <u>12/31/98</u>
1975 Mack Pumper	<u>\$ 30,000</u>	<u>\$ 0</u>	<u>\$ 30,000</u>	<u>\$ 0</u>
	<u>Balance</u> <u>12/31/98</u>	<u>Amount</u> <u>Issued</u>	<u>Amount</u> <u>Retired</u>	<u>Balance</u> <u>12/31/99</u>
1984 Chevrolet Pumper	<u>\$ 0</u>	<u>\$36,500</u>	<u>\$ 0</u>	<u>\$36,500</u>

The outstanding lease obligation is payable in eight decreasing yearly installments. The annual requirements to pay the lease balance outstanding as of December 31, 1999, are as follows.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 4,562	\$ 1,905	\$ 6,467
2001	4,563	1,667	6,230
2002	4,562	1,429	5,991
2003	4,563	1,191	5,754
2004	4,562	952	5,514
Subsequent Years	<u>13,688</u>	<u>1,430</u>	<u>15,118</u>
	<u>\$ 36,500</u>	<u>\$ 8,574</u>	<u>\$ 45,074</u>

**NOTE 7. RETIREMENT COMMITMENTS**

The employees of the Village were covered by the Public Employees Retirement System (PERS) of Ohio. The State of Ohio accounts for the activities of the retirement system and the amount of that fund is not reflected in the accompanying financial statements. The Village employees contributed 8.5 percent of their gross salaries. The Village matched this with a contribution equal to 13.55 percent of participants' gross salaries.

**NOTE 8. RISK MANAGEMENT**

The Village maintains comprehensive insurance coverage for real property, building contents and vehicles.

**VILLAGE OF NEW BLOOMINGTON, MARION COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>	<b>Program or Loan Amount</b>	<b>12/31/98 Loan Balances</b>
<b><u>U.S. Department of Agriculture</u></b>			
Rural Development Loan #01	10.760	\$445,000	<u>\$445,000</u>
<b>TOTAL LOAN BALANCES OF FEDERAL AWARDS</b>			<b>\$445,000</b>

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>CFDA#</b>	<b>Program Amount</b>	<b>12/31/98 Expenditures</b>
<b><u>U.S. Department of Agriculture</u></b>			
Rural Economic and Community Development Grant	10.760	\$740,000	95,000
<b>TOTAL PROGRAM EXPENDITURES</b>		<b>95,000</b>	
<b>TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$540,000</u></b>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF NEW BLOOMINGTON, MARION COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

<b><u>Federal Grantor/ Pass-Through Grantor/ Program Title</u></b>	<b><u>Catalog of Federal Domestic Assistance Number</u></b>	<b><u>Program or Loan Amount</u></b>	<b><u>12/31/99 Loan Balances</u></b>
<b><u>U.S. Department of Agriculture</u></b>			
Rural Development Loan #01	10.760	\$ 445,000	<u>\$445,000</u>
<b>TOTAL LOAN BALANCES OF FEDERAL AWARDS</b>			<b><u>\$445,000</u></b>
<b>TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$445,000</u></b>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF NEW BLOOMINGTON**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEARS ENDED DECEMBER 31, 1999 and 1998**

(1) Scope of Audit:

The Village of New Bloomington, Marion County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including sewer utilities and fire protection services.

The village received a significant amount of Federal Programs from the United States Department of Agriculture.

Single audit testing procedures were performed for program transactions occurring during the years ended December 31, 1999 and 1998.

(2) Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards has been prepared in conformity with requirements of Circular A-133 which requires that at least expenditures be shown in the schedule. The schedule has been prepared on the cash basis of accounting.

(3) Rural Development Loan:

The Rural Development Loan was issued in February 1998 for the repayment of the Wastewater Treatment Temporary Revenue Bond issued in 1996. The loan has interest-only payments until 2002.

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**Report of Independent Accountants on Compliance and on Internal Control**  
**Required by Government Auditing Standards**

Village of New Bloomington  
New Bloomington, Ohio 43341

To the Members of the Village Council

We have audited the financial statements of the Village of New Bloomington, Marion County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998 and have issued our report thereon dated September 29, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings as item 99-1. In addition, there were other noncompliance issues not required to be reported within this report, but are reported to management in a separate letter dated September 29, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village of New Bloomington's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 99-2.

Village Council  
Village of New Bloomington  
New Bloomington, Ohio  
Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the one reportable condition described above is a material weakness. We also noted several immaterial weaknesses which were brought to management's attention in a separate letter dated September 29, 2000.

This report is intended solely for the information and use of Village Council, management, federal awarding agencies and other officials authorized to receive this report, and is not intended to be and should not be used by anyone other than these specified parties.

September 29, 2000  
Findlay, Ohio

**REICHERT & ASSOCIATES, CPA'S**  
Certified Public Accountants

# **REICHERT & ASSOCIATES, CPA'S**

206 West Hardin Street  
Findlay, Ohio 45840

## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Village of New Bloomington Council  
New Bloomington, Ohio

### **Compliance**

We have audited the compliance of Village of New Bloomington with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1999 and 1998. Village of New Bloomington's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of New Bloomington 's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Village 's compliance with those requirements.

In our opinion, the Village of New Bloomington complied, in all material respects, with the requirements referred to above that are applicable to its major federal program years ended December 31, 1999 and 1998.

### **Internal Control Over Compliance**

The management of the Village of New Bloomington is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village 's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, the village council, federal awarding agencies and any officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

September 29, 2000  
Findlay, Ohio

**REICHERT & ASSOCIATES, CPA'S**  
Certified Public Accountants

**VILLAGE OF NEW BLOOMINGTON**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEARS ENDED DECEMBER 31, 1999 and 1998**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under §.510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Rural Development Loan CFDA #10.760
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	No

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY  
JANUARY 1, 1998 to DECEMBER 31, 1999**

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

**Noncompliance Citation**

99-1 Ohio Rev. Code Section 5705.39 state that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

In addition, Ohio Rev. Code Section 5705.41(B) states that no subdivision shall make any expenditure of money unless it has been lawfully appropriated as provided in such chapter.

Various sources of additional funds were received and subsequently expended in both 1998 and 1999 without submitting any amended certificates and without appropriating the funds prior to expenditure. The following fund types had expenditures in excess of anticipated revenues and appropriated funds:

1998

General Fund	\$33,619
Fire Levy Fund	4,262
Enterprise Fund	514,764

1999

General Fund	3,660
Fire Levy Fund	33,416
Enterprise Fund	9,045

In addition to none of the clerks making the appropriate changes in official certificates and amending appropriations, the official certificates are not being completed correctly. At year-end 1997 there were no encumbrances noted, therefore, the unencumbered beginning balances for 1998 should have equaled the year-end 1997 fund balances. The Enterprise Fund showed a beginning fund balance of \$0 on the amended certificate and the general ledger and audited statements showed \$93,048. There were similar differences in the other funds for both years.

Because of the turnover in the clerks position, three clerks in the two years under audit, the council had even greater responsibility for ensuring that compliance with regulations was maintained. The council should review all budgeting documents subsequent to 1999 to ensure that all regulatory compliance statutes have been adhered to. The council should also require any new clerk, including the current clerk, to obtain any and all training required for budgetary and all other compliance requirements.

## **Material Weakness in Financial Reporting**

99-2 The accounting software currently being used, Peachtree, is set up in a similar manner to the operations of a for profit company. In order to make the software work for a governmental unit, fund balances and estimated revenues are shown as assets, appropriated expenditures are shown as a liability, and the unappropriated fund balances are set up in one retained earnings account. This system will work as long as each decrease in a given fund revenue account also increases that same fund's fund balance, and vice a versa for each expenditure account.

In 1998, an expenditure for \$13,663 was paid for blacktopping the village streets. The debit was made to Street Fund Appropriations, but the credit was made to General Fund. Because the system has no means for a check and balance of the individual funds, this error and many others similar in nature were made and not detected. The above expenditure represented approximately 20% of the general funds entire revenue for 1998.

Council needs to review the current system to determine if the software system can meet the needs of the village or whether a system better suited for a governmental unit should be obtained. During the audit, the council voted to pursue the acquisition of the Uniform Accounting Network supported by the State of Ohio.

### **3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

STATUS OF PRIOR AUDIT'S  
FINDINGS, CITATIONS, AND RECOMMENDATIONS

<u>Material Weakness</u>	<u>Status</u>	<u>Explanation if not fully Implemented</u>
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None



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF NEW BLOOMINGTON**

**MARION 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  
DECEMBER 5, 2000**