

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

*Financial Statements*  
(Audited)

For The Years Ended  
December 31, 2005 and 2004

**DIANNE GOWIN, CLERK/TREASURER**





**Auditor of State  
Betty Montgomery**

Village Council  
Village of New Bloomington  
681 State Route 95W  
New Bloomington, Ohio 43341

We have reviewed the *Independent Auditors' Report* of the Village of New Bloomington, Marion County, prepared by Julian and Grube, Inc., for the audit period January 1, 2004 through December 31, 2005. 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.

**Finding for Recovery Repaid Under Audit**

Ohio Rev. Code Section 9.03(C)(1) prohibits political subdivisions from using public funds to publish, distribute, or communicate information that supports or opposes the passage of a tax levy.

In 2005, the Village purchased fire levy ad signs supporting the passage of a fire levy. The signs encouraged citizens to vote yes on the levy. Disbursements for the signs totaled \$159.50.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery in the amount of \$159.50 would have been issued against Dianne Gowin, Clerk/Treasurer, and Geraldine Johnson, Mayor, jointly and severally, in the amount of \$159.50, and in favor of the General fund in the amount of \$73.93 and the Fire fund in the amount of \$85.57.

On July 27, 2006, Dianne Gowin and Geraldine Johnson each repaid \$79.75 to the Village. The General fund was credited for \$73.93 and the Fire fund was credited for \$85.57.

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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

August 4, 2006

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

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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**Independent Auditors' Report**

Village of New Bloomington  
Marion County  
681 State Route 95W  
New Bloomington, OH 43341

To the Members of Council and Mayor:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of New Bloomington, Marion County, as of and for the years ended December 31, 2005 and 2004, which collectively comprise the Village's financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of New Bloomington's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the Village of New Bloomington prepares its financial statements and notes on the cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of New Bloomington, Marion County, Ohio, as of December 31, 2005 and 2004, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund and Special Revenue Fund: Street Construction, Maintenance and Repair, thereof and for the years then ended in conformity with the basis of accounting as described in Note 2.

Independent Auditors' Report  
Village of New Bloomington  
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2006, on our consideration of the Village of New Bloomington's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
May 15, 2006

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED**

The management's discussion and analysis of the Village of New Bloomington's (the "Village") financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2005 and 2004, within the limitations of the Village's cash basis of accounting. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the cash-basis financial statements and the notes to the financial statements to enhance their understanding of the Village's financial performance.

**Financial Highlights**

Key financial highlights for 2005 and 2004 are as follows:

- The total net cash assets of the Village increased \$26,947 and \$13,112 for the years ended December 31, 2005 and 2004, respectively. Net cash assets of governmental activities increased \$14,870 and \$19,787, for the years ended December 31, 2005 and 2004, respectively, which represents a 25% and 51% increase over fiscal years 2004 and 2003. Net cash assets of business-type activities increased \$12,077 or 25% and decreased \$6,675 or 12% from fiscal years 2004 and 2003, respectively.
- General cash receipts accounted for \$56,222 or 79% and \$55,775 or 80% of total governmental activities cash receipts for the years ended December 31, 2005 and 2004, respectively. Program specific cash receipts accounted for \$15,355 or 21% and \$14,040 or 20% of total governmental activities cash receipts.
- The Village had \$56,707 and \$50,028 in cash disbursements related to governmental activities for the years ended December 31, 2005 and 2004, respectively; \$15,355 and \$14,040, respectively of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes and grants and entitlements) of \$56,222 and \$55,775, respectively were adequate to provide for these programs.
- The Village's major funds are the general fund and the street construction, maintenance and repair fund. The general fund had cash receipts of \$49,056 and \$43,280 in 2005 and 2004, respectively. The cash disbursements of the general fund totaled \$36,505 and \$28,939 in 2005 and 2004, respectively. The general fund's cash balance increased \$12,551 and \$14,341 from 2004 to 2005 and 2003 to 2004.
- The street construction, maintenance and repair fund, a Village major fund, had cash receipts of \$15,868 and \$15,139 in 2005 and 2004, respectively. The street construction, maintenance and repair fund had cash disbursements of \$13,356 and \$12,068 in 2005 and 2004, respectively. The street construction, maintenance and repair fund cash balance increased \$2,512 and \$3,071 from 2004 to 2005 and 2003 to 2004, respectively.
- Net cash assets for the Sewer enterprise fund increased in 2005 by \$12,077 or 25% and decreased \$6,675 or 12%, for the years ended December 31, 2005 and 2004, respectively.

**Using this Cash Basis Basic Financial Statements (BFS)**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Village's cash basis of accounting.

The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole Village, presenting an aggregate view of the Village's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Village's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Village, there are two major governmental funds. The general fund is the largest major fund.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED

**Reporting the Village as a Whole**

*Statement of Net Assets and the Statement of Activities*

The Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis answer the question, "How did we do financially during 2005 and 2004?" These statements include *only net assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principals generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Village's net assets and changes in those assets on a cash basis. This change in net cash assets is important because it tells the reader that, for the Village as a whole, the cash basis financial position of the Village has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Village's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis, the Village is divided into two distinct kinds of activities. Governmental Activities - Most of the Village's programs and services are reported here including health services, security of persons and property, transportation, leisure time activities and general government. Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the cash disbursements of the goods or services provided. The Village's sewer enterprise fund is reported as business activities.

The Statement of Net Assets - Cash Basis and the Statement of Activities - Cash Basis can be found on pages 12-13 and 20-21 of this report.

**Reporting the Village's Most Significant Funds**

*Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two the categories: governmental funds and proprietary funds.

Fund financial reports provide detailed information about the Village's major funds. The Village uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Village's most significant funds. The Village's major governmental funds are the General Fund and Street Construction, Maintenance and Repair Fund. The analysis of the Village's major governmental funds begins on page 9.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED**

***Governmental Funds***

Most of the Village's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principals generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Village programs. Since the Village is reporting on the cash basis of accounting, there are no differences in the Net Assets and fund cash balances or changes in Net Assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross cash receipts and cash disbursements on the Fund Financial Statements to the Statement of Activities - Cash Basis due to transfers between governmental funds being eliminated for reporting in the Statement of Activities - Cash Basis. The governmental fund statements can be found on pages 14-15 and 22-23, respectively.

The Village's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the General Fund and Street Construction, Maintenance and Repair Fund are presented to demonstrate the Village's compliance with annually adopted budgets. The budgetary statements can be found on pages 16-17 and 24-25 of this report.

***Proprietary Funds***

The Village maintains one type of proprietary fund. Enterprise funds use the same basis of accounting (cash basis) as governmental fund activities; therefore, these statements will essentially match the information provided in statements for the Village as a whole. The Village uses enterprise funds to account for its water, sewer, and water improvement operations. The enterprise fund statements can be found on pages 18-19 and 26-27 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The Village's only fiduciary fund is an agency fund. Only the cash held at year end for the agency fund is reported. The Village's Agency fund had no cash at year end.

***Notes to the Financial Statements***

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-37 of this report.

**Government-Wide Financial Analysis**

Recall that the Statement of Net Assets - Cash Basis provides the perspective of the Village as a whole.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED**

The table below provides a summary of the Village's net cash assets for 2005 and 2004. 2004 is the first year for cash basis government-wide financial statements; therefore, a comparison with prior years is not available.

	<b>Net Cash Assets</b>					
	Governmental Activities 2005	Business-type Activities 2005	Governmental Activities 2004	Business-type Activities 2004	2005 Total	2004 Total
	<u>Assets</u>					
Equity in pooled cash and cash equivalents	\$ 73,631	\$ 61,013	\$ 58,761	\$ 48,936	\$ 134,644	\$ 107,697
Total assets	<u>\$ 73,631</u>	<u>\$ 61,013</u>	<u>\$ 58,761</u>	<u>\$ 48,936</u>	<u>\$ 134,644</u>	<u>\$ 107,697</u>
<u>Net Assets</u>						
Restricted for:						
Debt Service	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
Other Purposes	23,736	-	21,417	-	23,736	21,417
Unrestricted	<u>49,895</u>	<u>36,013</u>	<u>37,344</u>	<u>23,936</u>	<u>85,908</u>	<u>61,280</u>
Total net assets	<u>\$ 73,631</u>	<u>\$ 61,013</u>	<u>\$ 58,761</u>	<u>\$ 48,936</u>	<u>\$ 134,644</u>	<u>\$ 107,697</u>

The total net cash assets of the Village increased \$26,947 and \$13,112, for the years ended December 31, 2005 and 2004, respectively. Net cash assets of governmental activities increased \$14,870 and \$19,787, for the years ended December 31, 2005 and 2004, respectively, which represents a 25% and 51% increase over fiscal year 2004 and 2003. Net cash assets of business-type activities increased \$12,077 or 25% and decreased \$6,675 or 12% from fiscal year 2004 and 2003.

The balance of governmental activities unrestricted net cash assets of \$49,895 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the change in net assets for fiscal years 2005 and 2004, respectively. 2004 is the first year for cash basis government-wide financial statements; therefore, a comparison with prior years is not available.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED

	<b>Change in Net Cash Assets</b>					
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total	
	<u>2005</u>	<u>2005</u>	<u>2004</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Cash Receipts:</b>						
Program cash receipts:						
Charges for services and sales	\$ -	\$ 94,423	\$ -	\$ 86,182	\$ 94,423	\$ 86,182
Operating grants and contributions	15,355	-	14,040	-	15,355	14,040
Total program cash receipts	<u>15,355</u>	<u>94,423</u>	<u>14,040</u>	<u>86,182</u>	<u>109,778</u>	<u>100,222</u>
General cash receipts:						
Property and other taxes	12,153	-	11,444	-	12,153	11,444
Income tax	23,621	-	19,438	-	23,621	19,438
Other local taxes	1,462	-	6,424	-	1,462	6,424
Unrestricted grants	15,257	-	16,210	-	15,257	16,210
Investment earnings	2,725	-	1,118	-	2,725	1,118
Miscellaneous	1,004	-	1,141	-	1,004	1,141
Total general cash receipts	<u>56,222</u>	<u>-</u>	<u>55,775</u>	<u>-</u>	<u>56,222</u>	<u>55,775</u>
Total cash receipts	<u>71,577</u>	<u>94,423</u>	<u>69,815</u>	<u>86,182</u>	<u>166,000</u>	<u>155,997</u>
<b>Cash Disbursements:</b>						
Security of persons and property	10,557	-	6,151	-	10,557	6,151
Health services	600	-	2,394	-	600	2,394
Leisure time activities	11,000	-	984	-	11,000	984
Transportation	13,956	-	17,206	-	13,956	17,206
General government	20,594	-	23,293	-	20,594	23,293
Sewer	-	82,346	-	92,857	82,346	92,857
Total cash disbursements	<u>56,707</u>	<u>82,346</u>	<u>50,028</u>	<u>92,857</u>	<u>139,053</u>	<u>142,885</u>
Change in net cash assets	14,870	12,077	19,787	(6,675)	26,947	13,112
Net cash assets at beginning of year	<u>58,761</u>	<u>48,936</u>	<u>38,974</u>	<u>55,611</u>	<u>107,697</u>	<u>94,585</u>
Net cash assets at end of year	<u>\$ 73,631</u>	<u>\$ 61,013</u>	<u>\$ 58,761</u>	<u>\$ 48,936</u>	<u>\$ 134,644</u>	<u>\$ 107,697</u>

**Governmental Activities**

Governmental cash assets increased by \$14,870 and \$19,787 in 2005 from 2004 and in 2004 from 2003, respectively.

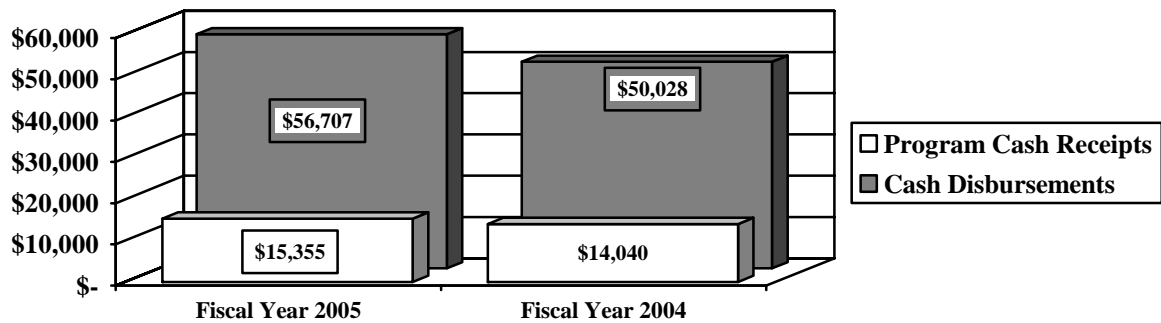
General government represents activities related to the governing body as well as activities that directly support Village programs. In 2005, general government cash disbursements totaled \$20,594 or 36% and \$23,293 or 47% of total governmental cash disbursements for the years ended December 31, 2005 and 2004, respectively. General government programs were supported by \$15,355 and \$14,040 in operating grants and contributions, for the years ended December 31, 2005 and 2004, respectively.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
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The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2005 and 2004. That is, it identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements.

**Governmental Activities - Program Cash Receipts vs. Total Cash Disbursements**



The following table shows, for governmental activities, the total cost of services and the net cost of services for 2005 and 2004. 2004 is the first year for cash basis government-wide financial statements; therefore, a comparison with prior years is not available.

**Governmental Activities**

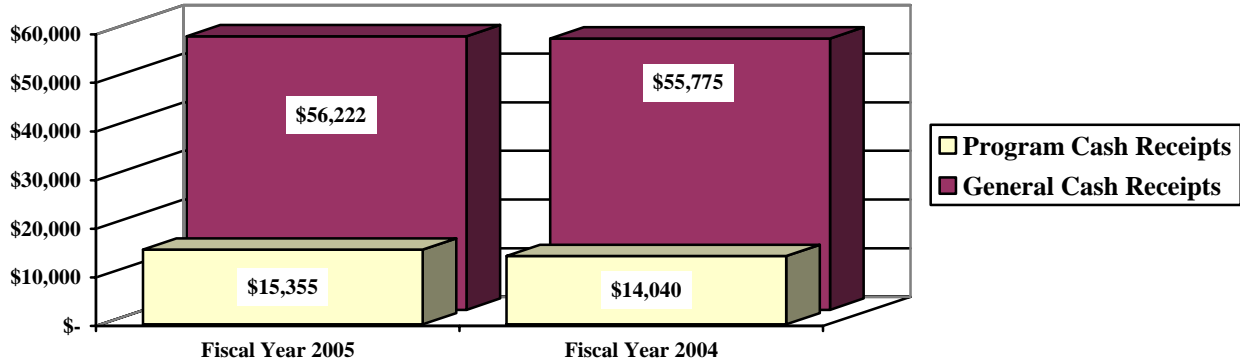
	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2004
Cash disbursements:				
Current:				
Security of persons and property	\$ 10,557	\$ 20,594	\$ 6,151	\$ 6,151
Health services	600	10,557	2,394	2,394
Leisure time activities	11,000	600	984	984
Transportation	13,956	(1,399)	17,206	3,166
General government	<u>20,594</u>	<u>11,000</u>	<u>23,293</u>	<u>23,293</u>
<b>Total</b>	<u>\$ 56,707</u>	<u>\$ 41,352</u>	<u>\$ 50,028</u>	<u>\$ 35,988</u>

The dependence upon general cash receipts for governmental activities is apparent; with 73% and 72% of cash disbursements supported through taxes and other general cash receipts during 2005 and 2004, respectively. The following graph below presents the Village's governmental activities receipts for fiscal years 2005 and 2004, respectively.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
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**Governmental Activities - General and Program Cash Receipts**



**Business-Type Activities**

The Sewer fund is the Village's only enterprise fund. This program had cash receipts of \$94,423 and \$86,182 and cash disbursements of \$82,346 and \$92,857 for fiscal years 2005 and 2004, respectively. The net cash assets of the programs increased \$12,077 from 2004 and decreased \$6,675 from 2003.

**Financial Analysis of the Government's Funds**

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The Village's governmental funds are accounted for using the cash basis of accounting.

The Village's governmental funds reported a combined fund cash balance of \$73,631 and \$58,761, which is \$14,870 and \$19,787 above previous years balances, for fiscal years 2005 and 2004 respectively. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2005 and 2004, respectively for all major and nonmajor governmental funds. 2004 is the first year for cash basis government-wide financial statements; therefore, a comparison with prior years is not available.

	<u>Fund Cash Balance</u> <u>December 31, 2005</u>	<u>Fund Cash Balance</u> <u>December 31, 2004</u>	<u>Increase</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 49,895	\$ 37,344	\$ 12,551
Street Construction, Maintenance and Repair	16,557	14,045	2,512
Other Nonmajor Governmental Funds	<u>7,179</u>	<u>7,372</u>	<u>(193)</u>
Total	<u>\$ 73,631</u>	<u>\$ 58,761</u>	<u>\$ 14,870</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED

***General Fund***

The general fund had cash receipts of \$49,056 and \$43,280 in 2005 and 2004, respectively. The cash disbursements of the general fund, totaled \$36,505 and \$28,939 in 2005 and 2004, respectively. The general fund's cash balance increased \$12,551 and \$14,341 from 2004 to 2005 and from 2003 to 2004, respectively.

The table that follows assists in illustrating the cash receipts of the general fund for fiscal years 2005 and 2004, respectively.

	<u>2005 Amount</u>	<u>2004 Amount</u>	<u>Percentage Change</u>
<b><u>Cash Receipts:</u></b>			
Taxes	\$ 29,874	\$ 25,240	18.36 %
Intergovernmental	14,608	14,648	(0.27) %
Fines, licenses and permits	1,375	1,240	10.89 %
Investment income	2,195	1,011	117.11 %
Other	<u>1,004</u>	<u>1,141</u>	(12.01) %
Total	<u>\$ 49,056</u>	<u>\$ 43,280</u>	13.35 %

Investment income cash receipts increased due to higher interest earning investments and due to the timing of the maturity of certain certificates of deposit. Taxes increased due to an increase in property tax within the Village revenue remained comparable to 2004.

The table that follows assists in illustrating the expenditures of the general fund.

	<u>2005 Amount</u>	<u>2004 Amount</u>	<u>Percentage Change</u>
<b><u>Cash Disbursements</u></b>			
Security of persons and property	\$ 4,521	\$ 2,724	65.97 %
Public health service	600	2,394	(74.94) %
General government	20,384	23,086	(11.70) %
Leisure time activity	<u>11,000</u>	<u>735</u>	76.86 %
Total	<u>\$ 36,505</u>	<u>\$ 28,939</u>	26.14 %

Overall, cash disbursements increased \$7,566 from 2004.

***Street Construction, Maintenance and Repair Fund***

The street construction, maintenance and repair fund, a Village major fund, had cash receipts of \$15,868 and \$15,139 in 2005 and 2004, respectively. The street construction, maintenance and repair fund had cash disbursements of \$13,356 and \$12,068 in 2005 and 2004, respectively. The street construction, maintenance and repair fund cash balance increased \$2,512 and \$3,071 from 2004 to 2005.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004  
UNAUDITED**

***Budgeting Highlights - General Fund***

The Village's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

For the general fund, actual cash receipts of \$49,056 and \$43,280 for 2005 and 2004, respectively, were greater than final and original budget estimates by \$19,504 and \$13,495, respectively. The original and final budgetary basis disbursements were \$66,896 and \$52,788 for the years ended December 31, 2005 and 2004, respectively.

**Capital Assets and Debt Administration**

***Capital Assets***

The Village does not record capital assets in the accompanying cash basis financial statements, but records payments for capital assets as disbursements. The Village had no capital outlay disbursements during fiscal year 2005 and 2004.

***Debt Administration***

The Village had the following long-term obligations outstanding at December 31, 2005 and 2004:

	Business Type Activities 2005	Business Type Activities 2004
1998 OWDA Loan	\$ 167,321	\$ 169,939
1998 USDA bonds	424,077	429,658
Total long-term obligations	<u>\$ 591,398</u>	<u>\$ 599,597</u>

**Current Issues**

The following economic factors were taken into consideration in preparing the budget for fiscal year 2005:

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base.

Our Village's financial position is anticipated to remain stable as we continue our conservative financial management.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Dianne Gowin, Clerk/Treasurer, Village of New Bloomington P.O. Box 410, New Bloomington, Ohio 45883.



**VILLAGE OF NEW BLOOMINGTON, OHIO**

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2005

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 73,631	\$ 61,013	\$ 134,644
 Total assets. . . . .	73,631	61,013	134,644
 <b>Net assets:</b>			
Restricted for:			
Debt service. . . . .	-	25,000	25,000
Other purposes . . . . .	23,736	-	23,736
Unrestricted . . . . .	49,895	36,013	85,908
 Total net assets . . . . .	\$ 73,631	\$ 61,013	\$ 134,644

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF NEW BLOOMINGTON, OHIO

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Assets		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
<b>Governmental activities:</b>						
Current:						
General government . . . . .	\$ 20,594	\$ -	\$ -	\$ (20,594)	\$ -	\$ (20,594)
Security of persons and property . . . . .	10,557	-	-	(10,557)	-	(10,557)
Health services . . . . .	600	-	-	(600)	-	(600)
Transportation . . . . .	13,956	-	15,355	1,399	-	1,399
Leisure time activities . . . . .	11,000	-	-	(11,000)	-	(11,000)
Total governmental activities . . . . .	<u>56,707</u>	<u>-</u>	<u>15,355</u>	<u>(41,352)</u>	<u>-</u>	<u>(41,352)</u>
<b>Business-type activities:</b>						
Sewer . . . . .	82,346	94,423	-	-	12,077	12,077
Total business-type activities . . . . .	<u>82,346</u>	<u>94,423</u>	<u>-</u>	<u>-</u>	<u>12,077</u>	<u>12,077</u>
Totals . . . . .	<u>\$ 139,053</u>	<u>\$ 94,423</u>	<u>\$ 15,355</u>	<u>(41,352)</u>	<u>12,077</u>	<u>(29,275)</u>
<b>General Cash Receipts:</b>						
Property taxes . . . . .				12,153	-	12,153
Income taxes . . . . .				23,621	-	23,621
Other local taxes . . . . .				1,462	-	1,462
Grants and entitlements not restricted to specific programs . . . . .				15,257	-	15,257
Interest receipts . . . . .				2,725	-	2,725
Miscellaneous . . . . .				1,004	-	1,004
Total general cash receipts . . . . .				<u>56,222</u>	<u>-</u>	<u>56,222</u>
Change in net cash assets . . . . .				14,870	12,077	26,947
Net cash assets at beginning of year . . . . .				58,761	48,936	107,697
Net cash assets at end of year . . . . .				<u>\$ 73,631</u>	<u>\$ 61,013</u>	<u>\$ 134,644</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF NEW BLOOMINGTON, OHIO

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
 GOVERNMENTAL FUNDS  
 DECEMBER 31, 2005

	<u>General</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 49,895	\$ 16,557	\$ 7,179	\$ 73,631
Total assets . . . . .	<u>\$ 49,895</u>	<u>\$ 16,557</u>	<u>\$ 7,179</u>	<u>\$ 73,631</u>
<b>Fund cash balances:</b>				
Unreserved, undesignated (deficit), reported in:				
General fund. . . . .	\$ 49,895	\$ -	\$ -	\$ 49,895
Special revenue funds . . . . .	-	16,557	7,179	23,736
Total fund cash balances . . . . .	<u>\$ 49,895</u>	<u>\$ 16,557</u>	<u>\$ 7,179</u>	<u>\$ 73,631</u>

VILLAGE OF NEW BLOOMINGTON, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>General</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash receipts:</b>				
Taxes . . . . .	\$ 29,874	\$ 2,520	\$ 4,884	\$ 37,278
Intergovernmental. . . . .	14,608	13,000	1,589	29,197
Fines, licenses and permits . . . . .	1,375	-	-	1,375
Interest. . . . .	2,195	348	180	2,723
Miscellaneous. . . . .	1,004	-	-	1,004
Total cash receipts . . . . .	<u>49,056</u>	<u>15,868</u>	<u>6,653</u>	<u>71,577</u>
<b>Cash disbursements:</b>				
Current:				
Security of persons and property . . . . .	4,521	-	6,036	10,557
Public health services. . . . .	600	-	-	600
Leisure time activities . . . . .	11,000	-	-	11,000
Transportation . . . . .	-	13,356	600	13,956
General government. . . . .	20,384	-	210	20,594
Total cash disbursements . . . . .	<u>36,505</u>	<u>13,356</u>	<u>6,846</u>	<u>56,707</u>
Net change in fund cash balances . . . . .	12,551	2,512	(193)	14,870
<b>Cash basis fund balances at beginning of year .</b>	<u>37,344</u>	<u>14,045</u>	<u>7,372</u>	<u>58,761</u>
<b>Cash basis fund balances at end of year . . .</b>	<u>\$ 49,895</u>	<u>\$ 16,557</u>	<u>\$ 7,179</u>	<u>\$ 73,631</u>

VILLAGE OF NEW BLOOMINGTON, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS FUND  
 BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary basis receipts:</b>				
Taxes . . . . .	\$ 12,642	\$ 12,642	\$ 29,874	\$ 17,232
Intergovernmental . . . . .	14,859	14,859	14,608	(251)
Fines, licenses and permits. . . . .	1,187	1,187	1,375	188
Interest. . . . .	500	500	2,195	1,695
Miscellaneous . . . . .	364	364	1,004	640
Total budgetary basis receipts . . . . .	<u>29,552</u>	<u>29,552</u>	<u>49,056</u>	<u>19,504</u>
<b>Budgetary basis disbursements:</b>				
Current:				
Security of persons and property . . . . .	8,568	8,568	4,521	4,047
Public health services. . . . .	3,000	3,000	600	2,400
Leisure time activities . . . . .	11,000	11,000	11,000	-
General government . . . . .	<u>37,367</u>	<u>37,367</u>	<u>20,384</u>	<u>16,983</u>
Total budgetary basis disbursements . . . . .	<u>59,935</u>	<u>59,935</u>	<u>36,505</u>	<u>23,430</u>
Excess (deficiency) of budgetary basis receipts over (under) budgetary basis disbursements. . . . .	<u>(30,383)</u>	<u>(30,383)</u>	<u>12,551</u>	<u>42,934</u>
<b>Other financing uses:</b>				
Transfers out. . . . .	(2,961)	(2,961)	-	2,961
Other uses. . . . .	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>	<u>4,000</u>
Total other financing uses. . . . .	<u>(6,961)</u>	<u>(6,961)</u>	<u>-</u>	<u>6,961</u>
Net change in fund cash balance . . . . .	(37,344)	(37,344)	12,551	49,895
Cash basis fund balance at beginning of year . . . . .	<u>37,344</u>	<u>37,344</u>	<u>37,344</u>	<u>-</u>
Cash basis fund balance at end of year . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,895</u>	<u>\$ 49,895</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF NEW BLOOMINGTON, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS FUND  
 BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary basis receipts:</b>				
Taxes . . . . .	\$ 1,796	\$ 1,796	\$ 2,520	\$ 724
Intergovernmental . . . . .	6,985	6,985	13,000	6,015
Interest . . . . .	60	60	348	288
Total budgetary basis receipts . . . . .	<u>8,841</u>	<u>8,841</u>	<u>15,868</u>	<u>7,027</u>
<b>Budgetary basis disbursements:</b>				
Current:				
Transportation. . . . .	<u>22,601</u>	<u>22,601</u>	<u>13,356</u>	<u>9,245</u>
Total budgetary basis disbursements . . . . .	<u>22,601</u>	<u>22,601</u>	<u>13,356</u>	<u>9,245</u>
Net change in fund cash balance . . . . .	(13,760)	(13,760)	2,512	16,272
Cash basis fund balance at beginning of year . . . . .	<u>14,045</u>	<u>14,045</u>	<u>14,045</u>	<u>-</u>
Cash basis fund balance at end of year . . . . .	<u>\$ 285</u>	<u>\$ 285</u>	<u>\$ 16,557</u>	<u>\$ 16,272</u>

**VILLAGE OF NEW BLOOMINGTON, OHIO**

STATEMENT OF CASH BASIS ASSETS AND NET CASH ASSETS  
 ENTERPRISE FUND  
 DECEMBER 31, 2005

	<b>Business-type Activities Enterprise Fund</b>
	<b>Sewer</b>
<b>Cash assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents. . . . .	\$ 61,013
Total assets . . . . .	61,013
<b>Net cash assets:</b>	
Restricted. . . . .	25,000
Unrestricted. . . . .	36,013
Total net cash assets. . . . .	\$ 36,013

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

**VILLAGE OF NEW BLOOMINGTON, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN NET CASH ASSETS  
ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Business-Type Activities Enterprise Fund</b>
	<b>Sewer</b>
<b>Operating cash receipts:</b>	
Charges for services . . . . .	\$ 94,423
Total operating cash receipts . . . . .	94,423
<b>Operating cash disbursements:</b>	
Personal services . . . . .	6,623
Employee benefits. . . . .	1,386
Contractual services . . . . .	27,853
Materials and supplies . . . . .	13,981
Total operating cash disbursements . . . . .	49,843
Operating cash receipts over operating cash disbursements . . . . .	44,580
<b>Nonoperating cash receipts (disbursements):</b>	
Debt Service:	
Principal . . . . .	(8,199)
Interest and other fiscal charges . . . . .	(24,304)
Total nonoperating cash receipts (disbursements). . . . .	(32,503)
Changes in net cash assets. . . . .	12,077
<b>Net cash assets at beginning of year . . . . .</b>	<b>48,936</b>
<b>Net cash assets at end of year . . . . .</b>	<b>\$ 61,013</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS



VILLAGE OF NEW BLOOMINGTON, OHIO

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2004

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 58,761	\$ 48,936	\$ 107,697
Total assets. . . . .	<u>58,761</u>	<u>48,936</u>	<u>107,697</u>
<b>Net assets:</b>			
Restricted for:			
Debt service. . . . .	-	25,000	25,000
Other purposes . . . . .	21,417	-	21,417
Unrestricted . . . . .	<u>37,344</u>	<u>23,936</u>	<u>61,280</u>
Total net assets . . . . .	<u>\$ 58,761</u>	<u>\$ 48,936</u>	<u>\$ 107,697</u>

**VILLAGE OF NEW BLOOMINGTON, OHIO**  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Program Cash Receipts</u>			<u>Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Assets</u>		
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Governmental activities:</b>						
Current:						
General government. . . . .	\$ 23,293	\$ -	\$ -	\$ (23,293)	\$ -	\$ (23,293)
Security of persons and property . . . . .	6,151	-	-	(6,151)	-	(6,151)
Health services. . . . .	2,394	-	-	(2,394)	-	(2,394)
Transportation. . . . .	17,206	-	14,040	(3,166)	-	(3,166)
Leisure time activities . . . . .	984	-	-	(984)	-	(984)
Total governmental activities . . . . .	<u>50,028</u>	<u>-</u>	<u>14,040</u>	<u>(35,988)</u>	<u>-</u>	<u>(35,988)</u>
<b>Business-type activities:</b>						
Sewer. . . . .	92,857	86,182	-	-	(6,675)	(6,675)
Total business-type activities . . . . .	<u>92,857</u>	<u>86,182</u>	<u>-</u>	<u>-</u>	<u>(6,675)</u>	<u>(6,675)</u>
Totals. . . . .	<u>\$ 142,885</u>	<u>\$ 86,182</u>	<u>\$ 14,040</u>	<u>(35,988)</u>	<u>(6,675)</u>	<u>(42,663)</u>
<b>General Cash Receipts:</b>						
Property taxes. . . . .				11,444	-	11,444
Income taxes. . . . .				19,438	-	19,438
Other local taxes . . . . .				6,424	-	6,424
Grants and entitlements not restricted to specific programs. . . . .				16,210	-	16,210
Interest receipts . . . . .				1,118	-	1,118
Miscellaneous . . . . .				1,141	-	1,141
Total general cash receipts. . . . .				<u>55,775</u>	<u>-</u>	<u>55,775</u>
Change in net cash assets . . . . .				19,787	(6,675)	13,112
<b>Net cash assets at beginning of year. . . . .</b>				<u>38,974</u>	<u>55,611</u>	<u>94,585</u>
<b>Net cash assets at end of year . . . . .</b>				<u>\$ 58,761</u>	<u>\$ 48,936</u>	<u>\$ 107,697</u>

VILLAGE OF NEW BLOOMINGTON, OHIO

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
 GOVERNMENTAL FUNDS  
 DECEMBER 31, 2004

	<u>General</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 37,344	\$ 14,045	\$ 7,372	\$ 58,761
Total assets . . . . .	<u>\$ 37,344</u>	<u>\$ 14,045</u>	<u>\$ 7,372</u>	<u>\$ 58,761</u>
<b>Fund cash balances:</b>				
Unreserved, undesignated (deficit), reported in:				
General fund. . . . .	\$ 37,344	\$ -	\$ -	\$ 37,344
Special revenue funds . . . . .	-	14,045	7,372	21,417
Total fund cash balances . . . . .	<u>\$ 37,344</u>	<u>\$ 14,045</u>	<u>\$ 7,372</u>	<u>\$ 58,761</u>

VILLAGE OF NEW BLOOMINGTON, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	General	Street Construction, Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
<b>Cash receipts:</b>				
Taxes . . . . .	\$ 25,240	\$ 2,720	\$ 9,841	\$ 37,801
Intergovernmental . . . . .	14,648	12,350	1,519	28,517
Fines, licenses and permits . . . . .	1,240	-	-	1,240
Interest . . . . .	1,011	69	36	1,116
Miscellaneous . . . . .	1,141	-	-	1,141
Total cash receipts . . . . .	<u>43,280</u>	<u>15,139</u>	<u>11,396</u>	<u>69,815</u>
<b>Cash disbursements:</b>				
Current:				
Security of persons and property . . . . .	2,724	-	3,427	6,151
Public health services . . . . .	2,394	-	-	2,394
Leisure time activities . . . . .	735	-	249	984
Transportation . . . . .	-	12,068	5,138	17,206
General government . . . . .	23,086	-	207	23,293
Total cash disbursements . . . . .	<u>28,939</u>	<u>12,068</u>	<u>9,021</u>	<u>50,028</u>
Net change in fund cash balances . . . . .	14,341	3,071	2,375	19,787
<b>Cash basis fund balances at beginning of year . . . . .</b>	<u>23,003</u>	<u>10,974</u>	<u>4,997</u>	<u>38,974</u>
<b>Cash basis fund balances at end of year . . . . .</b>	<u>\$ 37,344</u>	<u>\$ 14,045</u>	<u>\$ 7,372</u>	<u>\$ 58,761</u>

**VILLAGE OF NEW BLOOMINGTON, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS FUND  
 BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary basis receipts:</b>				
Taxes . . . . .	\$ 11,493	\$ 11,493	\$ 25,240	\$ 13,747
Intergovernmental . . . . .	16,464	16,464	14,648	(1,816)
Fines, licenses and permits. . . . .	1,087	1,087	1,240	153
Interest. . . . .	376	376	1,011	635
Miscellaneous . . . . .	365	365	1,141	776
Total budgetary basis receipts . . . . .	<u>29,785</u>	<u>29,785</u>	<u>43,280</u>	<u>13,495</u>
<b>Budgetary basis disbursements:</b>				
Current:				
Security of persons and property . . . . .	2,800	4,300	2,724	1,576
Public health services. . . . .	5,700	2,504	2,394	110
Leisure time activities . . . . .	-	760	735	25
General government . . . . .	<u>36,288</u>	<u>37,224</u>	<u>23,086</u>	<u>14,138</u>
Total budgetary basis disbursements . . . . .	<u>44,788</u>	<u>44,788</u>	<u>28,939</u>	<u>15,849</u>
Excess (deficiency) of budgetary basis receipts over (under) budgetary basis disbursements. . . . .	<u>(15,003)</u>	<u>(15,003)</u>	<u>14,341</u>	<u>29,344</u>
<b>Other financing uses:</b>				
Transfers out. . . . .	(4,000)	(4,000)	-	4,000
Other uses. . . . .	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>	<u>4,000</u>
Total other financing uses . . . . .	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>	<u>8,000</u>
Net change in fund cash balance . . . . .	(23,003)	(23,003)	14,341	37,344
<b>Cash basis fund balance at beginning of year . . . . .</b>	<u>23,003</u>	<u>23,003</u>	<u>23,003</u>	<u>-</u>
<b>Cash basis fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,344</u>	<u>\$ 37,344</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF NEW BLOOMINGTON, OHIO

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS FUND  
 BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Budgetary basis receipts:</b>				
Taxes . . . . .	\$ 3,800	\$ 3,800	\$ 2,720	\$ (1,080)
Intergovernmental . . . . .	6,985	6,985	12,350	5,365
Interest. . . . .	60	60	69	9
Total budgetary basis receipts . . . . .	<u>10,845</u>	<u>10,845</u>	<u>15,139</u>	<u>4,294</u>
<b>Budgetary basis disbursements:</b>				
Current:				
Transportation. . . . .	<u>21,819</u>	<u>21,819</u>	<u>12,068</u>	<u>9,751</u>
Total budgetary basis disbursements. . . . .	<u>21,819</u>	<u>21,819</u>	<u>12,068</u>	<u>9,751</u>
Net change in fund cash balance . . . . .	(10,974)	(10,974)	3,071	14,045
Cash basis fund balance at beginning of year . . . . .	<u>10,974</u>	<u>10,974</u>	<u>10,974</u>	<u>-</u>
Cash basis fund balance at end of year. . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,045</u>	<u>\$ 14,045</u>

**VILLAGE OF NEW BLOOMINGTON, OHIO**

STATEMENT OF CASH BASIS ASSETS AND NET CASH ASSETS  
 ENTERPRISE FUND  
 DECEMBER 31, 2004

	<b>Business-type Activities</b>
	<b>Sewer</b>
<b>Cash assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents. . . . .	\$ 48,936
Total assets . . . . .	48,936
<b>Net cash assets:</b>	
Restricted. . . . .	25,000
Unrestricted. . . . .	23,936
Total net cash assets. . . . .	\$ 23,936

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**VILLAGE OF NEW BLOOMINGTON, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN NET CASH ASSETS  
 ENTERPRISE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<b>Business-Type Activities - Enterprise Fund</b>
	<b>Sewer</b>
<b>Operating cash receipts:</b>	
Charges for services . . . . .	\$ 86,182
Total operating cash receipts . . . . .	86,182
<b>Operating cash disbursements:</b>	
Personal services . . . . .	6,598
Employee benefits. . . . .	1,336
Contractual services . . . . .	31,431
Materials and supplies . . . . .	13,401
Total operating cash disbursements . . . . .	52,766
Operating cash receipts over operating cash disbursements . . . . .	33,416
<b>Nonoperating cash receipts (disbursements):</b>	
Debt Service:	
Principal . . . . .	(10,435)
Interest and other fiscal charges . . . . .	(29,656)
Total nonoperating cash receipts (disbursements). . . . .	(40,091)
Changes in net cash assets. . . . .	(6,675)
<b>Net cash assets at beginning of year . . . . .</b>	<b>55,611</b>
<b>Net cash assets at end of year . . . . .</b>	<b>\$ 48,936</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS



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

**NOTES TO THE CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The Village of New Bloomington (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 sewer utilities and park operations. The Village has contracted with Scioto Valley Fire Department to provide fire protection services. The Village contracts with the Marion County Sheriff's Department to provide other security of persons and property services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials are financially accountable.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In cases where these cash basis statements contain items that are the same as, or similar to, those items in the financial statements prepared in conformity with GAAP, similar informative disclosures are provided. Following are the more significant of the Village's accounting policies:

**A. Basis of Presentation and Measurement Focus**

For the years ended 2005 and 2004, the Village has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for the State and Local Governments" format.

The Village's financial statements consist of government-wide financial statements, including a statement of net assets - cash basis and a statement of activities - cash basis, and a fund financial statement which provide a more detailed level of financial information.

Government-wide Statement of Activities - Cash Basis - This statement displays information about the Village as a whole, except for fiduciary funds. The statement distinguishes between those activities of the Village that are governmental and those that are considered business-type activities.

The government-wide statement of activities - cash basis compares disbursements with program receipts for each segment of the business-type activities of the Village and for each function or program of the Village's governmental activities. These disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Village. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on the cash basis or draws from the general receipts of the Village.

Fund Financial Statements - Fund financial statements report detailed information about the Village. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Proprietary funds distinguish operating transactions from nonoperating transactions. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating transactions of the Village's proprietary funds are charges for sales and services, and include personnel and other disbursements related to the operations of the enterprise activity. All other receipts and disbursements not meeting these definitions are reported as nonoperating transactions.

**B. Fund Accounting**

The Village uses funds to maintain its financial records during the year. Fund accounting is a concept development to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The Village classifies each fund as either governmental, proprietary or fiduciary.

**Governmental Funds** - The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other non-exchange transactions as governmental funds. The following are the Village's major governmental funds:

General Fund - This fund is used to account for all financial resources of the Village except those required to be accounted for in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Fund - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The Village had the following significant special revenue fund:

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

Other governmental funds of the Village are used to account for grants and other resources, and capital projects whose use is restricted to a particular purpose.

**Enterprise Fund** - These funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The following is the Village's major enterprise fund:

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

**C. Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimate resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, except agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the line item level within each department within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

*Tax Budget:*

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

*Estimated Resources:*

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determined that receipts collected will be greater than or less than the prior estimate, and the Budget Commission find the revised estimate to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. The amounts reported within the budgetary statements reflect the final estimated resources as certified by the County Budget Commission.

*Appropriations:*

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Village legally adopted appropriation amendments during 2004. There were no appropriation amendments during 2005. The budgetary statement reflects the final appropriations as approved by Council.

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

**NOTES TO THE CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Encumbrances:*

As part of the formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Village had no outstanding encumbrances at December 31, 2005 and 2004.

**E. Cash and Cash Equivalents**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Village's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. During 2005 and 2004, the Village invested in nonnegotiable certificates of deposit and a money market fund. The nonnegotiable certificates of deposit are reported at cost. The Village's money market fund investment is recorded at the amount reported by Commercial Savings Bank at December 31, 2005 and 2004. Interest earnings are allocated as authorized by state statute.

**F. Capital Assets**

Acquisition of property, plant, and equipment purchased are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

**G. Long-term Obligations**

Bonds and other long-term obligations are not recognized as a liability in the financial statements under the cash basis of accounting. These statements report proceeds of debt when cash is received, and debt service disbursements for debt principal payments.

**H. Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange flows of cash from one fund to another are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the basic financial statements.

**I. Intergovernmental Revenues**

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

**NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2005</u>	<u>2004</u>
Demand Deposits		
Total deposits	<u>\$ 134,644</u>	<u>\$ 107,697</u>

*Deposits:* Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

*Investments:* Investments include treasury bonds and notes, certificates of deposit and the State Treasury Asset Reserve of Ohio (STAR Ohio).

**NOTE 4 - DEBT OBLIGATIONS**

At December 31, 2005 and 2004, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/05</u>	<u>Balance at 12/31/04</u>
1998 Ohio Water Development Authority (OWDA) Sewer Plant Construction Loan, due in semiannual installments of \$7,588 through 2023 at a rate of 5.760%.	\$ 167,321	\$ 169,939
1998 United States Department of Agriculture (USDA) Mortgage Revenue Bonds, due in annual installments of varying amounts through 2038 at a rate of 4.50%.	<u>424,077</u>	<u>429,658</u>
Total debt obligations	<u>\$ 591,398</u>	<u>\$ 599,597</u>

Transactions for the year ended December 31, 2005 and 2004 are summarized as follows:

<u>Description</u>	<u>Balance at 12/31/04</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at 12/31/05</u>
<u>2005:</u>				
Loan - OWDA - 1998	\$ 169,939	\$ -	\$ (2,618)	\$ 167,321
Loan - USDA - 1998	<u>429,658</u>	<u>-</u>	<u>(5,581)</u>	<u>424,077</u>
Totals	<u>\$ 599,597</u>	<u>\$ -</u>	<u>\$ (8,199)</u>	<u>\$ 591,398</u>

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

**NOTES TO THE CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

**NOTE 4 - DEBT OBLIGATIONS - (Continued)**

<u>Description</u>	<u>Balance at 12/31/03</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at 12/31/04</u>
<u>2004:</u>				
Loan - OWDA - 1998	\$ 175,033	\$ -	\$ (5,094)	\$ 169,939
Loan - USDA - 1998	<u>434,999</u>	<u>-</u>	<u>(5,341)</u>	<u>429,658</u>
Totals	<u>\$ 610,032</u>	<u>\$ -</u>	<u>\$ (10,435)</u>	<u>\$ 599,597</u>

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2005 are as follows:

<u>Year Ending December 31</u>	<u>Loan - USDA - 1998</u>		<u>Loan - OWDA - 1998</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 5,832	\$ 19,083	\$ 5,538	\$ 9,638	\$ 11,370	\$ 28,721
2007	6,095	18,821	5,858	9,318	11,953	28,139
2008	6,369	18,547	6,194	8,982	12,563	27,529
2009	6,655	18,260	6,552	8,624	13,207	26,884
2010	6,955	17,961	6,928	8,248	13,883	26,209
2011 - 2015	39,761	84,819	41,110	34,770	80,871	119,589
2016 - 2020	49,550	75,030	54,394	21,484	103,944	96,514
2021 - 2025	61,429	62,846	40,747	4,780	102,176	67,626
2026 - 2030	76,869	47,708	-	-	76,869	47,708
2031 - 2035	95,792	28,784	-	-	95,792	28,784
2036 - 2038	<u>68,770</u>	<u>6,295</u>	<u>-</u>	<u>-</u>	<u>68,770</u>	<u>6,295</u>
Total	<u>\$ 424,077</u>	<u>\$ 398,154</u>	<u>\$ 167,321</u>	<u>\$ 105,844</u>	<u>\$ 591,398</u>	<u>\$ 503,998</u>

**NOTE 5 - DEBT COVENANT**

The Village's USDA mortgage revenue bond debt covenant requires the Village to (1) maintain a Sanitary Sewer System Mortgage Revenue Bond and Interest Sinking Fund. These funds are to be established for, and pledged to, the payment of principal and interest on the Bonds, a sum equal to at least one-twelfth of the amount of interest due on the next ensuing interest payment date with respect to all bonds outstanding plus the amount necessary to provide for payment of the next ensuing principal maturity of all bonds outstanding, and (2) establish a reserve fund whereby the sum of \$379.17 each month must be deposited until there is accumulated in such fund the sum of \$44,500, the minimum reserve .

For the years ended December 31, 2005 and 2004 the Village did not establish separately a "Reserve Fund" in noncompliance of Ohio Revised Code Section 5705.09, however did establish a "sinking fund" of \$25,000. The Village failed to establish a Reserve fund and failed to set aside the \$379.17 per month to accumulate in that fund.

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

**NOTE 6 - PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State and are reflected in the accompanying financial statements as Intergovernmental Receipts. Real property taxes are payable annually or semiannually to the County. 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 year. Under certain circumstances, state statute permits later payment dates to be established.

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

The assessed values of real and tangible personal property upon which 2005 and 2004 property tax receipts were based are as follows:

	2005	2004
Real property tax	\$ 2,501,410	\$ 2,429,300
Public utility tangible personal property	130,380	131,260
Tangible personal property	213,360	202,570
Total assessed valuation	\$ 2,845,150	\$ 2,763,130

**NOTE 7 - LOCAL INCOME TAX**

The Village passed an income tax which became effective July 1, 2002. This locally levied tax of 1% applies to gross salaries, wages and other personal service compensation earned by residents both in and out of the Village and to earnings of non residents (except certain transients) earned in the Village. It also applies to the net income of business organizations located within the Village. The Village's income tax is administered by the Regional Income Tax Agency. Tax receipts are credited to the Village's general fund and amounted to \$23,621 and \$19,438 in 2005 and 2004, respectively.

**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

**Ohio Public Employees Retirement System**

The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

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

NOTES TO THE CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

**NOTE 8 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit.

Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to established and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the years ended December 31, 2005 and 2004, the members were required to contribute 8.5% of their annual covered salaries. The Village's contribution rate for pension benefits for 2005 and 2004 was 9.55% respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's contributions to OPERS for the years ended December 31, 2005, 2004, and 2003 were \$1,509, \$1,429, and \$1,456, respectively; these contributions were sufficient to fulfill the requirements.

**NOTE 9 - POSTRETIREMENT BENEFIT PLANS**

**Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rates were 13.55% and for 2004 13.55% of covered payroll; 4.00% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPER's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 4.00% annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.



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

**NOTES TO THE CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

**NOTE 9 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 and 2004 which were used to fund postemployment benefits were \$445 and \$422, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005 (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

**NOTE 10 - RISK MANAGEMENT**

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with approximately 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages. Effective September 1, 2002, the Plan retains 5% of the premium and losses on the first \$500,000 casualty treaty (up to \$25,000 of a loss) and 5% of the first \$1,000,000 property treaty (up to \$50,000 of a loss). The Plan also participates in a loss corridor in its first \$500,000 casualty reinsurance. The corridor includes losses paid between 55% and 65% of premiums earned under this treaty. (Reinsurance coverage would resume after a paid loss ratio of 65% is exceeded.) The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

**NOTES TO THE CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

**NOTE 10 - RISK MANAGEMENT - (Continued)**

Settled claims, resulting from these risks, have not exceeded commercial insurance coverages in any of the past three years. There has been no significant reduction in insurance coverages from prior years.

**NOTE 11 - CONTINGENT LIABILITY**

LITIGATION

The Village is currently not involved in litigation.

**NOTE 12 - BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance – Budget and Actual (Budgetary Basis) presented for the general fund, and Special Revenue Fund: Street Construction, Maintenance and Repair fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). At December 31, 2005 and 2004, the Village had no outstanding encumbrances.



**Julian & Grube, Inc.**  
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**Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Members of Council and Mayor  
Village of New Bloomington  
681 State Route 95W  
New Bloomington, OH 43341

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of New Bloomington as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated May 15, 2006 wherein we noted the Village of New Bloomington prepared its financial statements on the cash basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of New Bloomington's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Village in a separate letter dated May 15, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of New Bloomington's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-VONB-001.

Members of Council and Mayor  
Village of New Bloomington

This report is intended solely for the information of the Council and management of the Village of New Bloomington and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
May 15, 2006

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

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2005-VONB-001

The Village's USDA mortgage revenue bond debt covenant requires the Village to (1) maintain a Sanitary Sewer System Mortgage Revenue Bond and Interest Sinking Fund. These funds are to be established for, and pledged to, the payment of principal and interest on the Bonds, a sum equal to at least one-twelfth of the amount of interest due on the next ensuing interest payment date with respect to all bonds outstanding plus the amount necessary to provide for payment of the next ensuing principal maturity of all bonds outstanding, and (2) establish a reserve fund whereby the sum of \$379.17 each month must be deposited until there is accumulated in such fund the sum of \$44,500, the minimum reserve.

For the years ended December 31, 2005 and 2004 the Village did not establish separately a "Reserve Fund" in noncompliance of Ohio Revised Code Section 5705.09, however did establish a "sinking fund" of \$25,000. The Village failed to establish a Reserve fund and failed to set aside the \$379.17 per month to accumulate in that fund.

*Client Response:* A reserve fund will be set up to be in compliance with the debt covenants.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005 AND 2004**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b><u>Not Corrected, Partially Corrected; Different Corrective Action Taken; or Finding No Longer Valid; Explain:</u></b>
2003-VONB-001	Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.	Yes	N/A
2003-VONB-002	Ohio Revised Code Section 5705.39 requires that no fund should have appropriations in excess of estimated resources.	Yes	N/A



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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  
AUGUST 22, 2006**