



**Mary Taylor, CPA**  
Auditor of State



**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

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VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of New Bloomington  
Marion County  
202 Buell Street  
P.O. Box 183  
New Bloomington, Ohio 43341

To the Members of Council:

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, Ohio (the Village), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village'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 significant estimates made by management, as well as evaluating the overall financial statement presentation. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis 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 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, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparisons for the General and Street Construction, Maintenance & Repair Funds and thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

October 31, 2008

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
UNAUDITED

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This discussion and analysis of the Village of New Bloomington's financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

**HIGHLIGHTS**

Key highlights for 2007 are as follows:

Net assets of governmental activities increased \$27,666, or 29 percent, a significant change from the prior year. The funds most affected by the increase in cash and cash equivalents were the General and Street Construction, Maintenance and Repair Funds, due to decreases in costs.

The Village's general receipts are primarily property and income taxes. These receipts represent respectively 15 and 27 percent of the total cash received for governmental activities during the year. Property and income tax receipts for 2007 changed very little compared to 2006.

Net assets of the sewer operation, the Village's lone business-type activity, decreased slightly again this year.

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$22,166, or 30 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund.

The Village's general receipts are primarily property and income taxes. These receipts represent respectively 16 and 29 percent of the total cash received for governmental activities during the year. Property and income tax receipts for 2006 changed very little compared to 2005 as development within the Village has slowed.

Net assets of the sewer operation, the Village's lone business-type activity, decreased slightly for the year.

**USING THE BASIC FINANCIAL STATEMENTS**

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

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
UNAUDITED

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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**REPORTING THE VILLAGE AS A WHOLE**

The statement of net assets and the statement of activities reflect how the Village did financially during 2007 and 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, we divide the Village into two types of activities:

Governmental activities: Most of the Village's basic services are reported here. State grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activity: The Village has one business-type activity, the provision of sewer. Business-type activities are financed by a fee charged to the customers receiving the service.

**REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS**

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and proprietary.



VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
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Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. For 2007 and 2006, the Village's major governmental funds are the General Fund and Street Construction, Maintenance and Repair Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has one enterprise fund, the sewer fund.

**THE VILLAGE AS A WHOLE**

Table 1 provides a summary of the Village's net assets for 2007 compared to 2006 and 2006 compared to 2005 on a cash basis:

(Table 1)  
**Net Assets**

	Governmental Activities			Business-Type Activities			Total		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
<b>Assets</b>									
Cash and Cash Equivalents	123,460.02	95,794.16	73,631.00	30,954.59	35,749.45	43,954.82	154,414.61	131,543.61	117,585.82
Restricted Cash	-	-	-	25,958.10	21,508.14	17,058.18	25,958.10	21,508.14	17,058.18
<b>Total Assets</b>	<b>123,460.02</b>	<b>95,794.16</b>	<b>73,631.00</b>	<b>56,912.69</b>	<b>57,257.59</b>	<b>61,013.00</b>	<b>180,372.71</b>	<b>153,051.75</b>	<b>134,644.00</b>
<b>Net Assets</b>									
Restricted for:									
Other Purposes	36,028.85	23,844.40	23,736.00	25,958.10	21,508.14	17,058.18	61,986.95	45,352.54	40,794.18
Unrestricted	87,431.17	71,949.76	49,895.00	30,954.59	35,749.45	43,954.82	118,385.76	107,699.21	93,849.82
<b>Total Net Assets</b>	<b>123,460.02</b>	<b>95,794.16</b>	<b>73,631.00</b>	<b>56,912.69</b>	<b>57,257.59</b>	<b>61,013.00</b>	<b>180,372.71</b>	<b>153,051.75</b>	<b>134,644.00</b>

As mentioned previously, net assets of governmental activities increased \$27,666 or 29 percent during 2007 and \$22,166 or 30 percent during 2006. The primary reasons contributing to the increases in cash balances are as follows:

- During 2007, the Village's streets were in generally good condition, resulting in \$12,092 fewer maintenance and repair expenses.
- During 2006, the Village put a pause on its park development plans, resulting in \$11,000 fewer expenses.

Table 2 reflects the changes in net assets on cash basis in 2007, 2006, and 2005 for governmental activities, business-type activities and total primary government.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
UNAUDITED

(Table 2)  
Changes in Net Assets

	Governmental Activities			Business-Type Activities			Total		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
<b>Receipts:</b>									
Program Receipts:									
Charges for Services and Sales	-	164.71	-	93,615.99	86,655.92	94,423.00	93,615.99	86,820.63	94,423.00
Operating Grants and Contributions	18,473.38	20,300.96	15,355.00	-	-	-	18,473.38	20,300.96	15,355.00
Capital Grants and Contributions	1,233.11	1,188.37	-	-	-	-	1,233.11	1,188.37	-
Total Program Receipts	19,706.49	21,654.04	15,355.00	93,615.99	86,655.92	94,423.00	113,322.48	108,309.96	109,778.00
General Receipts:									
Property and Other Local Taxes	11,982.96	13,731.73	13,615.00	-	-	-	11,982.96	13,731.73	13,615.00
Income Taxes	19,052.11	22,363.04	23,621.00	-	-	-	19,052.11	22,363.04	23,621.00
Grants and Entitlements Not Restricted to Specific Programs	13,746.24	13,815.37	15,257.00	-	-	-	13,746.24	13,815.37	15,257.00
Earnings on Investments	5,623.54	4,958.45	2,725.00	-	-	-	5,623.54	4,958.45	2,725.00
Miscellaneous	400.00	596.75	1,004.00	-	-	-	400.00	596.75	1,004.00
Total General Receipts	50,804.85	55,465.34	56,222.00	-	-	-	50,804.85	55,465.34	56,222.00
Total Receipts	70,511.34	77,119.38	71,577.00	93,615.99	86,655.92	94,423.00	164,127.33	163,775.30	166,000.00
<b>Disbursements:</b>									
General Government	24,510.66	20,979.98	20,594.00	-	-	-	24,510.66	20,979.98	20,594.00
Security of Persons and Property:	11,323.74	9,010.18	10,557.00	-	-	-	11,323.74	9,010.18	10,557.00
Public Health Services	-	2,400.00	600.00	-	-	-	-	2,400.00	600.00
Leisure Time Activities	-	-	11,000.00	-	-	-	-	-	11,000.00
Transportation	7,011.08	22,563.35	13,956.00	-	-	-	7,011.08	22,563.35	13,956.00
Sewer	-	-	-	93,960.89	90,409.95	82,346.00	93,960.89	90,409.95	82,346.00
Total Disbursements	42,845.48	54,953.51	56,707.00	93,960.89	90,409.95	82,346.00	136,806.37	145,363.46	139,053.00
Increase (Decrease) in Net Assets	27,665.86	22,165.87	14,870.00	(344.90)	(3,754.03)	12,077.00	27,320.96	18,411.84	26,947.00
Net Assets, January 1	95,794.16	73,628.29	58,761.00	57,257.59	61,011.62	48,936.00	153,051.75	134,639.91	107,697.00
Net Assets, December 31	123,460.02	95,794.16	73,631.00	56,912.69	57,257.59	61,013.00	180,372.71	153,051.75	134,644.00

Program receipts represent 69 percent and 66 percent, for 2007 and 2006 respectively, of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money and sewer fees.

General receipts represent 31 percent of the Village's total receipts in 2007 and 34 percent in 2006, and of these amounts, 61 percent and 65 percent, respectively are local taxes. State grants and entitlements make up 27 percent and 25 percent of the Village's general receipts in 2007 and 2006, respectively. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to General Fund unrestricted receipts.

Security of Persons and Property are the costs of police and fire protection and Transportation is the cost of maintaining the roads. Revenues from a fire levy are used to purchase fire protection.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
UNAUDITED

**Governmental Activities**

If you look at the Statement of Activities on page 10 for 2007 and page 18 for 2006, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, which accounts for 57 percent of all governmental disbursements for 2007 and for general government and transportation, which account for 38 and 41 percent of all governmental disbursements, respectively for 2006. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)  
**Governmental Activities**

	Total Cost of Services			Net Cost of Services		
	2007	2006	2005	2007	2006	2005
General Government	24,510.66	20,979.98	20,594.00	(23,196.76)	(20,906.42)	(20,594.00)
Security of Persons and Property	11,323.74	9,010.18	10,557.00	(11,323.74)	(9,010.18)	(10,557.00)
Public Health Services	-	2,400.00	600.00	110.72	(2,265.25)	(600.00)
Leisure Time Activities	-	-	11,000.00	-	-	(11,000.00)
Transportation	7,011.08	22,563.35	13,956.00	11,270.79	(1,117.62)	1,399.00
<b>Total Expenses</b>	<b>42,845.48</b>	<b>54,953.51</b>	<b>56,707.00</b>	<b>(23,138.99)</b>	<b>(33,299.47)</b>	<b>(41,352.00)</b>

The dependence upon property and income tax receipts is apparent as 54 percent in 2007 and 61 percent in 2006 of governmental activities are supported through these general receipts.

**Business-Type Activities**

The sewer operation of the Village is relatively small and routinely reports receipts and cash disbursements that are relatively equal.

**THE VILLAGE'S FUNDS**

In fiscal year 2007, total governmental funds had receipts of \$70,511 and disbursements of \$42,845. While receipts were down from 2006, disbursements were also down due to good street repair and generally good weather. The Village has also been attempting to reduce expenditures to prepare for future needs.

In fiscal year 2006, total governmental funds had receipts of \$77,119 and disbursements of \$54,953. Governmental fund receipts were more than disbursements by \$22,165. Cut backs in park development and generally good weather has resulted in a positive fund balance. Also, the Village has been attempting to reduce expenditures to prepare for future needs.

**BUDGETING HIGHLIGHTS**

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds are the General Fund and Street Construction, Maintenance and Repair Fund. The budget as prepared was generally as expected with few changes necessary.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
UNAUDITED

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**DEBT ADMINISTRATION**

At December 31, 2007, the Village's outstanding debt included \$155,924 in OWDA Loans and \$412,151 in USDA Mortgage Revenue Bonds issued for the sewer system expansion project. For further information regarding the Village's debt, refer to Note 11 to the basic financial statements.

**CURRENT ISSUES**

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 staff is limited and expenditures are also limited. Our goal is to be prepared for general public needs including parks, transportation, and sewer plant upkeep and maintenance.

**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 reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Dianne Gowin, Clerk-Treasurer, Village of New Bloomington, Marion County, 202 Buell Street, P.O. Box 183, New Bloomington, Ohio, 43341.

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2007**

	Governmental Activities	Business - Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 123,460.02	\$ 30,954.59	\$ 154,414.61
Restricted Cash and Cash Equivalents	-	25,958.10	25,958.10
<i>Total Assets</i>	<u>\$ 123,460.02</u>	<u>\$ 56,912.69</u>	<u>\$ 180,372.71</u>
<b>Net Assets</b>			
Restricted for:			
Other Purposes	\$ 36,028.85	\$ 25,958.10	\$ 61,986.95
Unrestricted	87,431.17	30,954.59	118,385.76
<i>Total Net Assets</i>	<u>\$ 123,460.02</u>	<u>\$ 56,912.69</u>	<u>\$ 180,372.71</u>

See accompanying notes to the basic financial statements

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Security of Persons and Property	\$ 11,323.74	\$ -	\$ -	\$ -	\$ (11,323.74)	\$ -	\$ (11,323.74)
Public Health Services	-	-	-	110.72	110.72	-	110.72
Transportation	7,011.08	-	17,159.48	1,122.39	11,270.79	-	11,270.79
General Government	24,510.66	-	1,313.90	-	(23,196.76)	-	(23,196.76)
<i>Total Governmental Activities</i>	42,845.48	-	18,473.38	1,233.11	(23,138.99)	-	(23,138.99)
<b>Business Type Activities</b>							
Sewer Operating	93,960.89	93,615.99	-	-	-	(344.90)	(344.90)
<i>Total Business Type Activities</i>	93,960.89	93,615.99	-	-	-	(344.90)	(344.90)
<i>Total Primary Government</i>	<u>\$ 136,806.37</u>	<u>\$ 93,615.99</u>	<u>\$ 18,473.38</u>	<u>\$ 1,233.11</u>	<u>\$ (23,138.99)</u>	<u>\$ (344.90)</u>	<u>\$ (23,483.89)</u>
<b>General Receipts</b>							
Property Taxes Levied for:							
General Operating					\$ 5,860.15	\$ -	\$ 5,860.15
Fire Protection Services					4,428.10	-	4,428.10
Municipal Income Taxes					19,052.11	-	19,052.11
Other Taxes					1,694.71	-	1,694.71
Grants and Entitlements not Restricted to Specific Programs					13,746.24	-	13,746.24
Earnings on Investments					5,623.54	-	5,623.54
Miscellaneous					400.00	-	400.00
<i>Total General Receipts</i>					50,804.85	-	50,804.85
<i>Change in Net Assets</i>					27,665.86	(344.90)	27,320.96
Net Assets Beginning of Year					95,794.16	57,257.59	153,051.75
<i>Net Assets End of Year</i>					<u>\$ 123,460.02</u>	<u>\$ 56,912.69</u>	<u>\$ 180,372.71</u>

See accompanying notes to the basic financial statements

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2007**

	<u>GENERAL</u>	<u>STREET CONST. MAINT.REP.</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 87,431.17	\$ 26,849.16	\$ 9,179.69	\$ 123,460.02
<i>Total Assets</i>	<u>\$ 87,431.17</u>	<u>\$ 26,849.16</u>	<u>\$ 9,179.69</u>	<u>\$ 123,460.02</u>
<b>Fund Balances</b>				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	\$ 87,431.17	\$ -	\$ -	\$ 87,431.17
Special Revenue Funds	-	26,849.16	9,179.69	36,028.85
<i>Total Fund Balances</i>	<u>\$ 87,431.17</u>	<u>\$ 26,849.16</u>	<u>\$ 9,179.69</u>	<u>\$ 123,460.02</u>

See accompanying notes to the basic financial statements

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	GENERAL	STREET CONST. MAINT.REP.	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>Receipts</b>				
Property and Other Local Taxes	\$ 5,860.52	\$ -	\$ 4,428.10	\$ 10,288.62
Municipal Income Taxes	19,052.11	-	-	19,052.11
Intergovernmental	14,521.32	15,665.10	2,033.20	32,219.62
Fines, Licenses and Permits	1,694.34	-	-	1,694.34
Earnings on Investments	5,623.54	932.36	300.75	6,856.65
Miscellaneous	400.00	-	-	400.00
<i>Total Receipts</i>	<u>47,151.83</u>	<u>16,597.46</u>	<u>6,762.05</u>	<u>70,511.34</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	7,323.74	-	4,000.00	11,323.74
Transportation	-	5,103.14	1,907.94	7,011.08
General Government	24,346.68	-	163.98	24,510.66
<i>Total Disbursements</i>	<u>31,670.42</u>	<u>5,103.14</u>	<u>6,071.92</u>	<u>42,845.48</u>
<i>Net Change in Fund Balances</i>	15,481.41	11,494.32	690.13	27,665.86
Fund Balances Beginning of Year	<u>71,949.76</u>	<u>15,354.84</u>	<u>8,489.56</u>	<u>95,794.16</u>
<i>Fund Balances End of Year</i>	<u>\$ 87,431.17</u>	<u>\$ 26,849.16</u>	<u>\$ 9,179.69</u>	<u>\$ 123,460.02</u>

See accompanying notes to the basic financial statements



**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 5,370.00	\$ 5,370.00	\$ 5,860.52	\$ 490.52
Municipal Income Taxes	10,000.00	10,000.00	19,052.11	9,052.11
Intergovernmental	13,919.13	13,919.13	14,521.32	602.19
Fines, Licenses and Permits	1,474.82	1,474.82	1,694.34	219.52
Earnings on Investments	1,000.00	1,000.00	5,623.54	4,623.54
Miscellaneous	573.93	573.93	400.00	(173.93)
<i>Total Receipts</i>	<u>32,337.88</u>	<u>32,337.88</u>	<u>47,151.83</u>	<u>14,813.95</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	8,568.00	8,568.00	7,323.74	1,244.26
Public Health Services	3,000.00	-	-	-
Leisure Time Activities	11,000.00	11,000.00	-	11,000.00
General Government	38,158.30	42,505.93	24,346.68	18,159.25
<i>Total Disbursements</i>	<u>60,726.30</u>	<u>62,073.93</u>	<u>31,670.42</u>	<u>30,403.51</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(28,388.42)</u>	<u>(29,736.05)</u>	<u>15,481.41</u>	<u>45,217.46</u>
<b>Other Financing Uses</b>				
Transfers Out	2,000.00	2,000.00	-	2,000.00
Other Financing Uses	4,000.00	4,000.00	-	4,000.00
<i>Total Other Financing Uses</i>	<u>6,000.00</u>	<u>6,000.00</u>	<u>-</u>	<u>6,000.00</u>
<i>Net Change in Fund Balance</i>	<u>(34,388.42)</u>	<u>(35,736.05)</u>	<u>15,481.41</u>	<u>51,217.46</u>
Fund Balance Beginning of Year	<u>71,949.76</u>	<u>71,949.76</u>	<u>71,949.76</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$37,561.34</u>	<u>\$36,213.71</u>	<u>\$87,431.17</u>	<u>\$ 51,217.46</u>

See accompanying notes to the basic financial statements

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
STREET CONSTRUCTION, MAINTENANCE & REPAIR FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,316.00	\$ 1,316.00	\$ -	\$ (1,316.00)
Intergovernmental	7,000.00	7,000.00	15,665.10	8,665.10
Earnings on Investments	100.00	100.00	932.36	832.36
<i>Total Receipts</i>	<u>8,416.00</u>	<u>8,416.00</u>	<u>16,597.46</u>	<u>8,181.46</u>
<b>Disbursements</b>				
Current:				
Transportation	22,164.00	22,164.39	5,103.14	17,061.25
<i>Total Disbursements</i>	<u>22,164.00</u>	<u>22,164.39</u>	<u>5,103.14</u>	<u>17,061.25</u>
<i>Net Change in Fund Balance</i>	(13,748.00)	(13,748.39)	11,494.32	25,242.71
Fund Balance Beginning of Year	15,354.84	15,354.84	15,354.84	-
<i>Fund Balance End of Year</i>	<u>\$ 1,606.84</u>	<u>\$ 1,606.45</u>	<u>\$ 26,849.16</u>	<u>\$ 25,242.71</u>

See accompanying notes to the basic financial statements

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

STATEMENT OF FUND NET ASSETS - CASH BASIS  
PROPRIETARY FUND  
DECEMBER 31, 2007

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	SEWER OPERATING
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 30,954.59
Restricted Cash and Cash Equivalents	25,958.10
<i>Total Assets</i>	<u>\$ 56,912.69</u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$ 25,958.10
Unrestricted	30,954.59
<i>Total Net Assets</i>	<u>\$ 56,912.69</u>

See accompanying notes to the basic financial statements

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

STATEMENT OF CASH RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND NET ASSETS - CASH BASIS  
PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007

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	SEWER OPERATING
<b>Operating Receipts</b>	
Charges for Services	\$ 93,530.99
Other Operating Receipts	85.00
	<hr/>
<i>Total Operating Receipts</i>	93,615.99
	<hr/>
<b>Operating Disbursements</b>	
Personal Services	7,754.07
Employee Fringe Benefits	1,261.91
Contractual Services	28,904.96
Supplies and Materials	15,948.65
	<hr/>
<i>Total Operating Disbursements</i>	53,869.59
	<hr/>
<i>Operating Income</i>	39,746.40
	<hr/>
<b>Non-Operating Disbursements</b>	
Principal Payments	11,951.65
Interest and Fiscal Charges	28,139.65
	<hr/>
<i>Total Non-Operating Disbursements</i>	40,091.30
	<hr/>
<i>Change in Net Assets</i>	(344.90)
	<hr/>
Net Assets Beginning of Year	57,257.59
	<hr/>
<i>Net Assets End of Year</i>	\$ 56,912.69
	<hr/> <hr/>

See accompanying notes to the basic financial statements

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2006**

	Governmental Activities	Business - Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 95,794.16	\$ 35,749.45	\$ 131,543.61
Restricted Cash and Cash Equivalents	-	21,508.14	21,508.14
<i>Total Assets</i>	<b>\$ 95,794.16</b>	<b>\$ 57,257.59</b>	<b>\$ 153,051.75</b>
<b>Net Assets</b>			
Restricted for:			
Other Purposes	\$ 23,844.40	\$ 21,508.14	\$ 45,352.54
Unrestricted	71,949.76	35,749.45	107,699.21
<i>Total Net Assets</i>	<b>\$ 95,794.16</b>	<b>\$ 57,257.59</b>	<b>\$ 153,051.75</b>

See accompanying notes to the basic financial statements

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Security of Persons and Property	\$ 9,010.18	\$ -	\$ -	\$ -	\$ (9,010.18)	\$ -	\$ (9,010.18)
Public Health Services	2,400.00	-	-	134.75	(2,265.25)	-	(2,265.25)
Transportation	22,563.35	164.71	20,227.40	1,053.62	(1,117.62)	-	(1,117.62)
General Government	20,979.98	-	73.56	-	(20,906.42)	-	(20,906.42)
<i>Total Governmental Activities</i>	54,953.51	164.71	20,300.96	1,188.37	(33,299.47)	-	(33,299.47)
<b>Business Type Activities</b>							
Sewer Operating	90,409.95	86,655.92	-	-	-	(3,754.03)	(3,754.03)
<i>Total Business Type Activities</i>	90,409.95	86,655.92	-	-	-	(3,754.03)	(3,754.03)
<i>Total Primary Government</i>	<u>\$ 145,363.46</u>	<u>\$ 86,820.63</u>	<u>\$ 20,300.96</u>	<u>\$ 1,188.37</u>	<u>\$ (33,299.47)</u>	<u>\$ (3,754.03)</u>	<u>\$ (37,053.50)</u>
<b>General Receipts</b>							
Property Taxes Levied for:							
General Operating					\$ 6,960.19	\$ -	\$ 6,960.19
Fire Protection Services					5,127.95	-	5,127.95
Municipal Income Taxes					22,363.04	-	22,363.04
Other Taxes					1,643.59	-	1,643.59
Grants and Entitlements not Restricted to Specific Programs					13,815.37	-	13,815.37
Earnings on Investments					4,958.45	-	4,958.45
Miscellaneous					596.75	-	596.75
<i>Total General Receipts</i>					<u>55,465.34</u>	<u>-</u>	<u>55,465.34</u>
<i>Change in Net Assets</i>					22,165.87	(3,754.03)	18,411.84
Net Assets Beginning of Year					<u>73,628.29</u>	<u>61,011.62</u>	<u>134,639.91</u>
<i>Net Assets End of Year</i>					<u>\$ 95,794.16</u>	<u>\$ 57,257.59</u>	<u>\$ 153,051.75</u>

See accompanying notes to the basic financial statements

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

	<u>GENERAL</u>	<u>STREET CONST. MAINT.REP.</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 71,949.76	\$ 15,354.84	\$ 8,489.56	\$ 95,794.16
<i>Total Assets</i>	<u>\$ 71,949.76</u>	<u>\$ 15,354.84</u>	<u>\$ 8,489.56</u>	<u>\$ 95,794.16</u>
<b>Fund Balances</b>				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	\$ 71,949.76	\$ -	\$ -	\$ 71,949.76
Special Revenue Funds	<u>-</u>	<u>15,354.84</u>	<u>8,489.56</u>	<u>23,844.40</u>
Permanent Fund				
<i>Total Fund Balances</i>	<u>\$ 71,949.76</u>	<u>\$ 15,354.84</u>	<u>\$ 8,489.56</u>	<u>\$ 95,794.16</u>

See accompanying notes to the basic financial statements

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	GENERAL	STREET CONST. MAINT.REP.	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>Receipts</b>				
Property and Other Local Taxes	\$ 7,124.49	\$ -	\$ 5,292.66	\$ 12,417.15
Municipal Income Taxes	22,363.04	-	-	22,363.04
Intergovernmental	13,857.30	15,138.90	5,120.13	34,116.33
Fines, Licenses and Permits	1,479.29	-	-	1,479.29
Earnings on Investments	4,958.45	852.90	335.47	6,146.82
Miscellaneous	511.18	-	85.57	596.75
<i>Total Receipts</i>	<u>50,293.75</u>	<u>15,991.80</u>	<u>10,833.83</u>	<u>77,119.38</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	5,010.18	-	4,000.00	9,010.18
Public Health Services	2,400.00	-	-	2,400.00
Transportation	-	17,195.40	5,367.95	22,563.35
General Government	20,827.91	-	152.07	20,979.98
<i>Total Disbursements</i>	<u>28,238.09</u>	<u>17,195.40</u>	<u>9,520.02</u>	<u>54,953.51</u>
<i>Net Change in Fund Balances</i>	22,055.66	(1,203.60)	1,313.81	22,165.87
Fund Balances Beginning of Year	49,894.10	16,558.44	7,175.75	73,628.29
<i>Fund Balances End of Year</i>	<u>\$ 71,949.76</u>	<u>\$ 15,354.84</u>	<u>\$ 8,489.56</u>	<u>\$ 95,794.16</u>

See accompanying notes to the basic financial statements



**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 6,049.00	\$ 6,049.00	\$ 7,124.49	\$ 1,075.49
Municipal Income Taxes	7,000.00	7,000.00	22,363.04	15,363.04
Intergovernmental	13,877.20	13,877.20	13,857.30	(19.90)
Fines, Licenses and Permits	1,474.82	1,474.82	1,479.29	4.47
Earnings on Investments	1,000.00	1,000.00	4,958.45	3,958.45
Miscellaneous	500.00	500.00	511.18	11.18
<i>Total Receipts</i>	<u>29,901.02</u>	<u>29,901.02</u>	<u>50,293.75</u>	<u>20,392.73</u>
<b>Disbursements</b>				
Current:				
Security of Persons and Property	8,568.00	8,568.00	5,010.18	3,557.82
Public Health Services	3,000.00	3,000.00	2,400.00	600.00
Leisure Time Activities	11,000.00	11,000.00	-	11,000.00
General Government	37,826.55	37,826.55	20,827.91	16,998.64
<i>Total Disbursements</i>	<u>60,394.55</u>	<u>60,394.55</u>	<u>28,238.09</u>	<u>32,156.46</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(30,493.53)</u>	<u>(30,493.53)</u>	<u>22,055.66</u>	<u>52,549.19</u>
<b>Other Financing Uses</b>				
Transfers Out	2,000.00	2,000.00	-	2,000.00
Other Financing Uses	4,000.00	4,000.00	-	4,000.00
<i>Total Other Financing Uses</i>	<u>6,000.00</u>	<u>6,000.00</u>	<u>-</u>	<u>6,000.00</u>
<i>Net Change in Fund Balance</i>	<u>(36,493.53)</u>	<u>(36,493.53)</u>	<u>22,055.66</u>	<u>58,549.19</u>
Fund Balance Beginning of Year	49,894.10	49,894.10	49,894.10	-
<i>Fund Balance End of Year</i>	<u>\$13,400.57</u>	<u>\$ 13,400.57</u>	<u>\$ 71,949.76</u>	<u>\$ 58,549.19</u>

See accompanying notes to the basic financial statements

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
STREET CONSTRUCTION, MAINTENANCE & REPAIR FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 1,316.00	\$ 1,316.00	\$ -	\$ (1,316.00)
Intergovernmental	7,000.00	7,000.00	15,138.90	8,138.90
Earnings on Investments	100.00	100.00	852.90	752.90
<i>Total Receipts</i>	<u>8,416.00</u>	<u>8,416.00</u>	<u>15,991.80</u>	<u>7,575.80</u>
<b>Disbursements</b>				
Current:				
Transportation	22,700.62	22,700.62	17,195.40	5,505.22
<i>Total Disbursements</i>	<u>22,700.62</u>	<u>22,700.62</u>	<u>17,195.40</u>	<u>5,505.22</u>
<i>Net Change in Fund Balance</i>	(14,284.62)	(14,284.62)	(1,203.60)	13,081.02
Fund Balance Beginning of Year	16,558.44	16,558.44	16,558.44	-
<i>Fund Balance End of Year</i>	<u>\$ 2,273.82</u>	<u>\$ 2,273.82</u>	<u>\$ 15,354.84</u>	<u>\$ 13,081.02</u>

See accompanying notes to the basic financial statements

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

STATEMENT OF FUND NET ASSETS - CASH BASIS  
PROPRIETARY FUND  
DECEMBER 31, 2006

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	<u>SEWER OPERATING</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 35,749.45
Restricted Cash and Cash Equivalents	<u>21,508.14</u>
<i>Total Assets</i>	<u><u>\$ 57,257.59</u></u>
<b>Net Assets</b>	
Restricted for:	
Other Purposes	\$ 21,508.14
Unrestricted	<u>35,749.45</u>
<i>Total Net Assets</i>	<u><u>\$ 57,257.59</u></u>

See accompanying notes to the basic financial statements

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

STATEMENT OF CASH RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND NET ASSETS - CASH BASIS  
PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

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	<u>SEWER OPERATING</u>
<b>Operating Receipts</b>	
Charges for Services	\$ 86,655.92
<i>Total Operating Receipts</i>	<u>86,655.92</u>
<b>Operating Disbursements</b>	
Personal Services	6,772.50
Employee Fringe Benefits	1,510.66
Contractual Services	32,526.59
Supplies and Materials	9,508.90
<i>Total Operating Disbursements</i>	<u>50,318.65</u>
<i>Operating Income</i>	<u>36,337.27</u>
<b>Non-Operating Disbursements</b>	
Principal Payments	11,370.20
Interest and Fiscal Charges	28,721.10
<i>Total Non-Operating Disbursements</i>	<u>40,091.30</u>
<i>Change in Net Assets</i>	(3,754.03)
Net Assets Beginning of Year	<u>61,011.62</u>
<i>Net Assets End of Year</i>	<u>\$ 57,257.59</u>

See accompanying notes to the basic financial statements

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

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**NOTE 1 – REPORTING ENTITY**

The Village of New Bloomington, Marion County, Ohio (the Village), is a body politic and corporate 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 six-member Council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is comprised of the primary government and other organizations that were included to ensure that the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, sewer utilities, and maintenance of Village roads. The Village contracts with Scioto Valley Fire Department to provide fire protection services and with the Marion County Sheriff's Department to provide other security of persons and property.

**B. Public Entity Risk Pool**

The Village participates in the Ohio Government Risk Management Plan (the Plan) public entity risk pool. Notes 8 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

The Ohio Government Risk Management Plan (the Plan) is a risk sharing pool available to Ohio governments. The Plan provides property and casualty coverage for its members.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include 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 the government-wide financial statements and the fund financial statements for the proprietary fund, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Village does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise fund. Following are the more significant of the Village's accounting policies.

**A. Basis of Presentation**

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

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
(Continued)

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net assets presents the cash balances of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. 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 type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and proprietary.

Governmental Funds

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

General Fund - The General Fund is used to account for all financial resources, 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.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
(Continued)

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Village's major enterprise fund is the Sewer Operating Fund.

Sewer Operating Fund - The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

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.

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 liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
(Continued)

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

**E. Cash and Investments**

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2007, the Village invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Village funds according to State statutes or debt related restrictions. Interest receipts credited to the General Fund during 2007 and 2006 were \$5,624 and \$4,958, respectively.

**F. Inventory and Prepaid Items**

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Capital Assets**

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

**H. Employer Contributions to Cost-Sharing Pension Plans**

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

**I. Long-Term Obligations**

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception.



VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
(Continued)

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for constructing, maintaining, and repairing Village roads and fire protections services.

The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**NOTE 3 – COMPLIANCE**

The Village did not separately establish a Bond Account or a Reserve Account as required by the Wastewater Treatment Project First Mortgage Revenue Bonds Ordinance No. 95-08.

Contrary to Ohio Rev. Code §5705.41(D), the Clerk/Treasurer did not certify expenditures prior to the commitment being incurred, nor were they certified using a then and now certificate, as required by Ohio Rev. Code §5705.41(D).

**NOTE 4 – 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 Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General and Street Construction, Maintenance and Repair Funds are 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 is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). Since there were no encumbrances outstanding at year end, there is essentially no difference between cash and budget basis reporting.

**NOTE 5 – DEPOSITS AND INVESTMENTS**

Monies held by the Village are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
(Continued)

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**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, \$71,661 of the Village's bank balance of \$183,380 was exposed to custodial credit risk, while at December 31, 2006, \$53,353 of the Village's bank balance of \$165,945 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
(Continued)

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**NOTE 6 – INCOME TAXES**

The Village levies a 1.0 percent income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

**NOTE 7 – PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Property tax receipts received in 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) is for 2007 taxes.

2007 real property taxes are levied after October 1, 2007 on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

Real property taxes are payable annually or semi-annually. 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. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes which became a lien on December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 3, with the remainder due September 20.

The full tax rate for all Village operations for the year ended December 31, 2007, was \$4.00 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$2,572,530
Public Utility Property	124,230
Tangible Personal Property	88,690
Total Assessed Values	<u>\$2,785,450</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
(Continued)

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**NOTE 8 – RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is 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 coverages, 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 issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

	<b>2007</b>	<b>2006</b>	<b>2005</b>
Assets	\$11,136,455	\$9,620,148	\$8,219,430
Liabilities	<u>(4,273,553)</u>	<u>(3,329,620)</u>	<u>(2,748,639)</u>
Members' Equity	<u>\$6,862,902</u>	<u>\$6,290,528</u>	<u>\$5,470,791</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
(Continued)

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**NOTE 9 – DEFINED BENEFIT PENSION PLAN**

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 percent 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.

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 establish 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 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The members of all three plans were required to contribute 9.5 percent in 2007 and 9 percent in 2006 of their annual covered salary. The Village's contribution rate for pension benefits for 2007 and 2006 were 13.85 and 13.70 percent respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$2,250, \$1,569, and \$1,509 respectively. The full amount has been contributed for 2007, 2006, and 2005.

**NOTE 10 – POSTEMPLOYMENT BENEFITS**

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*.

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 2007 local government employer contribution rate was 13.85 percent of covered payroll; 5 percent of covered payroll was the portion that was used to fund health care from January 1 through June 30, 2007 and 6 percent of covered payroll was the portion that was used to fund health care from July 1 through December 31, 2007.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
(Continued)

**NOTE 10 – POSTEMPLOYMENT BENEFITS** (continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 0.50 and 5.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$2,250. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

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 increasing health care costs.

**NOTE 11 – DEBT**

The Village's long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
<b>Business-type Activities</b>						
1998 OWDA Loan (\$198,485)	5.76%	\$161,781	\$0	\$5,857	\$155,924	\$6,195
1998 USDA Rural Development Mortgage Revenue Bonds (\$445,000)	4.50%	418,245	0	6,094	412,151	6,369
Total Business-type Activities		<u>\$580,026</u>	<u>\$0</u>	<u>\$11,951</u>	<u>\$568,075</u>	<u>\$12,564</u>

The Ohio Water Development Authority (OWDA) loan relates to a sewer system expansion project that was mandated by the Ohio Environmental Protection Agency. The loan will be repaid in semiannual installments of \$7,588, including interest, over 25 years. The loan is secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The USDA Rural Development Mortgage Revenue Bonds were obtained for the purpose of paying for the costs of constructing improvements to the Village's sewer system. The loan will be repaid over 40 years. The Village established a water surcharge in compliance with the debt covenants associated with these mortgage revenue bonds.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006  
(Continued)

**NOTE 11 – DEBT** (continued)

The following is a summary of the Village's future annual debt service requirements:

Year	OWDA Loans		USDA Bonds	
	Principal	Interest	Principal	Interest
2008	\$6,195	\$8,981	\$6,369	\$18,547
2009	6,551	8,624	6,655	18,260
2010	6,929	8,247	6,955	17,961
2011	7,328	7,848	7,268	17,648
2012	7,750	7,426	7,595	17,321
2013–2017	45,982	29,897	43,419	81,159
2018–2022	60,840	15,037	54,108	70,470
2023–2027	14,349	827	67,082	57,496
2028–2032	0	0	83,943	40,635
2033–2037	0	0	104,608	19,970
2038	0	0	24,149	767
Totals	<u>\$155,924</u>	<u>\$86,887</u>	<u>\$412,151</u>	<u>\$360,234</u>

**NOTE 12 – DEBT COVENANTS**

The Village's USDA mortgage revenue bond debt covenants require the Village to (1) establish a Wastewater Treatment Project Revenue Bond and Interest Payment Account ("Bond Account") to be used for the monthly payment of principal and interest on all bonds outstanding, (2) establish a Wastewater Treatment Project Reserve Account ("Reserve Account"), whereby the Village is to make monthly deposits in the amount of \$370.83 from the Sewer Operating Fund until there is accumulated in such fund a sum equal to 10% of the amount of the Revenue Bonds or \$44,500, and (3) credit any interest earned on any monies or investments of the "Bond Account" and "Reserve Account" to such fund.

For the years ended December 31, 2007 and 2006, the Village did not separately establish a "Bond Account" or "Reserve Account".

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# Mary Taylor, CPA

Auditor of State

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

Village of New Bloomington  
Marion County  
202 Buell Street  
P.O. Box 183  
New Bloomington, Ohio 43341

To the Members of Council:

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 as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Village's basic financial statements and have issued our report thereon dated October 31, 2008, wherein we noted the Village uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be a significant deficiencies in internal control over financial reporting: 2007-001 and 2007-003.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings number 2007-001 and 2007-003 are also material weaknesses.

We also noted a certain internal control matter that we reported to the Village's management in a separate letter dated October 31, 2008.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001 through 2007-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated October 31, 2008.

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

We intend this report solely for the information and use of management and Members of Council. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

October 31, 2008

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006

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

Finding Number

2007-001

**Material Noncompliance/Significant Deficiency/Material Weakness  
Establishment of Funds**

Section 10B of the Wastewater Treatment Project First Mortgage Revenue Bonds Ordinance No. 98-05 requires, in part, the Village to establish a Wastewater Treatment Project Revenue Bond and Interest Payment Account ("Bond Account") to be used for the monthly payment of principal and interest on all bonds outstanding. The Village is also required to establish a Wastewater Treatment Project Reserve Account ("Reserve Account") whereby the Village is to make monthly deposits in the amount of \$370.83 from the Sewer Operating Fund until there is accumulated in such fund a sum equal to 10% of the amount of the Revenue Bonds, or \$44,500.

Furthermore, Section 11 of the Wastewater Treatment Project First Mortgage Revenue Bonds Ordinance No. 98-05 requires that interest earned on any monies or investments in each fund or account be credited to such fund or account.

The Village did not separately establish a Bond Account or Reserve Account as required. Failure to comply with all applicable debt requirements may result in the Village defaulting on such debt.

We recommend the Village establish the Bond Account for the monthly payment of principal and interest on all outstanding Revenue Bonds. We also recommend the Village establish a separate Reserve Account and to make the required monthly deposits of \$370.83 into this fund. Lastly, we recommend that all interest earned on any monies or investments in each of these funds or accounts be credited to such fund or account. The accounting records and financial statements have been adjusted to reflect the reserve account, as noted in Finding 2007-003.

**Officials' Response**

We will be working with the USDA Rural Development to establish the "Bond Account" to be used for yearly payments of principal and interest and the "Reserve Account", as well as crediting the interest income earned by these funds to the funds and accounts.

Finding Number

2007-002

**Material Noncompliance  
Certification of Expenditures**

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

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

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	2007-002 (Continued)
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**Material Noncompliance (Continued)**  
**Certification of Expenditures (Continued)**

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

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

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

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

Seventy-nine percent of the transactions tested were not certified by the Clerk/Treasurer prior to the commitment being incurred, nor were they certified using a then and now certificate. This procedure is not only required by Ohio law, but is a key internal control procedure in the disbursement process to assure purchase commitments receive prior approval, and to help reduce the possibility of the Village's funds being over-expended or exceeding budgetary spending limitations.

We recommend the Village certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Clerk/Treasurer should sign the certification prior to the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The approved purchase commitments should be posted to the proper appropriation code to reduce the available appropriation. When prior certification is not possible, "then and now" certification should be used.

**Officials' Response**

Steps have been taken to begin using the "Then and Now" certificates for expenditures for routine purchases generally much less than \$3,000. All purchase orders and payments are reviewed by the Council on the first Monday of each month.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number

2007-003

**Significant Deficiency/Material Weakness  
Financial Reporting**

Sound financial reporting is the responsibility of the Clerk/Treasurer and the Members of Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Village made the following reclassifications to the December 31, 2007 financial statements and accounting records:

1. Reclassifications of \$9,000 to increase/decrease original appropriations in the General Fund to match those on the Annual Appropriation Measure.
2. Reclassification of \$11,952 of debt principal from debt service-interest and fiscal charges to debt service-principal retirement in the Sewer Operating Fund.
3. Reclassification of \$2,196 and \$402 of auto taxes from property and other local taxes to intergovernmental receipts in the Street Construction, Maintenance & Repair Fund, State Highway Fund, and Governmental Activities, respectively.
4. Reclassification of \$5,624 of General Fund interest income from program revenues to general receipts in Governmental Activities.
5. Reclassifications of \$25,958 of sewer reserve account set-asides from cash/unrestricted net assets to restricted cash/restricted net assets in the Sewer Operating Fund and Business-Type Activities.

The following adjustments and reclassifications were inconsequential to the overall financial statements of the Village and were not posted to the December 31, 2007 financial statements:

1. Reclassification of \$1,694 of cable franchise fees from other taxes to cable franchise fees in Governmental Activities.
2. Adjustment of \$86 to decrease earnings on investments for 2008 certificate of deposit interest misposted in 2007 in the General Fund and Governmental Activities, respectively.

The Village made the following adjustments and reclassifications to the December 31, 2006 financial statements and accounting records:

1. Adjustment of \$287 to increase beginning fund balance in the Street Construction, Maintenance & Repair Fund and decrease beginning fund balance in the State Highway Fund in order to record a prior audit adjustment.
2. Reclassifications of \$4,026 of permissive auto tax from property and other local taxes to intergovernmental receipts in the Permissive MVL Fund and Governmental Activities, respectively.
3. Reclassification of \$11,370 of debt principal from debt service-interest and fiscal charges to debt service-principal retirement in the Sewer Operating Fund.
4. Reclassification of \$2,032 of auto taxes from property and other local taxes to intergovernmental receipts in the Street Construction, Maintenance & Repair Fund and Governmental Activities, respectively.
5. Reclassification of \$4,958 of General Fund interest income from program revenues to general receipts in Governmental Activities.
6. Reclassifications of \$21,508 of sewer reserve account set-asides from cash/unrestricted net assets to restricted cash/restricted net assets in the Sewer Operating Fund and Business-Type Activities.

VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	2007-003 (Continued)
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**Significant Deficiency/Material Weakness (Continued)**  
**Financial Reporting (Continued)**

The following reclassifications were inconsequential to the overall financial statements of the Village and were not posted to the December 31, 2006 financial statements:

1. Reclassification of \$1,479 of cable franchise fees from other taxes to cable franchise fees in Governmental Activities.
2. Reclassification of \$165 of auto taxes from property and other local taxes to intergovernmental receipts in the State Highway Fund and Governmental Activities, respectively.

The adjustments and reclassifications identified above should be reviewed by the Clerk/Treasurer and Members of Council to ensure that similar errors are not reported on financial statements in subsequent years.

In addition, the Village should develop procedures for the periodic review of the activity posted to the accounting records, as well as, for the review of the financial statement information to ensure it accurately reflects the Village's activity.

**Officials' Response**

Conversion of the cash-basis reports to the GASB look-alikes continues to be a learning experience. We will continue to learn from our mistakes and work to properly classify the identified errors in future periods.

**VILLAGE OF NEW BLOOMINGTON  
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i></b>
2005-VONB-001	Section 10B of the Wastewater Treatment Project First Mortgage Revenue Bonds Ordinance No. 98.05 - Establishment of Funds	No	Not corrected, this comment is being repeated as finding 2007-001







**Mary Taylor, CPA**  
Auditor of State

**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  
FEBRUARY 19, 2009**