

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

***Financial Statements*
(Audited)**

For The Years Ended
December 31, 2003 and 2002

DIANNE GOWIN, CLERK/TREASURER



**Auditor of State
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the Village of New Bloomington, Marion County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2002 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of New Bloomington is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

October 7, 2004

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

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the Village of New Bloomington, Marion County, Ohio, as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Village of New Bloomington's management. Our responsibility is to express an opinion 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the Village of New Bloomington prepares its financial statements on the basis of accounting prescribed or permitted by Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of the Village of New Bloomington, Marion County, as of December 31, 2003 and 2002, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 25, 2004, on our consideration of the Village of New Bloomington's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Members of Council and Mayor
Village of New Bloomington

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

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
August 25, 2004

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

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2003 AND 2002

<u>Cash and Cash Equivalents</u>	<u>2003</u>	<u>2002</u>
Cash and Cash Equivalents	\$ 94,585	\$ 81,099
Total Cash and Cash Equivalents	<u>\$ 94,585</u>	<u>\$ 81,099</u>
 <u>Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 23,003	\$ 11,863
Special Revenue Funds	<u>15,971</u>	<u>14,855</u>
Total Governmental Fund Types	<u>38,974</u>	<u>26,718</u>
 <u>Proprietary Fund Type:</u>		
Enterprise Fund	<u>55,611</u>	<u>54,381</u>
Total Fund Balances	<u>\$ 94,585</u>	<u>\$ 81,099</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 6,338	\$ 6,001	\$ 12,339
Municipal income tax	14,737	-	14,737
Intergovernmental	14,671	15,399	30,070
Fines, licenses, and permits	1,148	-	1,148
Interest	488	117	605
Miscellaneous	1,358	-	1,358
Total cash receipts	<u>38,740</u>	<u>21,517</u>	<u>60,257</u>
Cash disbursements:			
Current:			
Security of persons and property	2,389	4,000	6,389
Public health services	371	-	371
Leisure time activities	-	329	329
Transportation	-	15,844	15,844
General government	24,840	228	25,068
Total cash disbursements	<u>27,600</u>	<u>20,401</u>	<u>48,001</u>
Excess cash receipts over cash disbursements	11,140	1,116	12,256
Cash fund balances, January 1, 2003	<u>11,863</u>	<u>14,855</u>	<u>26,718</u>
Cash fund balances, December 31, 2003	<u>\$ 23,003</u>	<u>\$ 15,971</u>	<u>\$ 38,974</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH FUND BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 91,610
Total operating cash receipts	91,610
Operating cash disbursements:	
Personal services	6,189
Transportation	1,072
Contractual services	28,281
Supplies and material	14,747
Total operating cash disbursements	50,289
Operating income	41,321
Nonoperating cash disbursements:	
Debt service:	
Principal	(9,926)
Interest	(30,165)
Total nonoperating cash disbursements	(40,091)
Excess of receipts over disbursements	1,230
Cash fund balances, January 1, 2003	54,381
Cash fund balances, December 31, 2003	\$ 55,611

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003**

Fund Types	Receipts				Disbursements					Variance Favorable (Unfavorable)	
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2003 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2003 Appropriations	Total	Actual 2003 Disbursements		Encumbrances Outstanding at 12/31/03
Governmental:											
General	\$ 11,777	\$ 32,830	\$ 44,607	\$ 38,740	\$ 5,910	\$ -	\$ 42,608	\$ 42,608	\$ 27,600	\$ -	\$ 15,008
Special Revenue	14,855	19,652	34,507	21,517	1,865	-	30,711	30,711	20,401	-	10,310
Proprietary:											
Enterprise	54,378	96,000	150,378	91,610	(4,390)	-	132,908	132,908	90,380	-	42,528
Total (Memorandum Only)	\$ 81,010	\$ 148,482	\$ 229,492	\$ 151,867	\$ 3,385	\$ -	\$ 206,227	\$ 206,227	\$ 138,381	\$ -	\$ 67,846

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 4,885	\$ 9,979	\$ 14,864
Municipal income tax	3,437	-	3,437
Intergovernmental	15,720	13,752	29,472
Fines, licenses, and permits	1,078	-	1,078
Interest	578	78	656
Miscellaneous	713	-	713
Total cash receipts	<u>26,411</u>	<u>23,809</u>	<u>50,220</u>
Cash disbursements:			
Current:			
Security of persons and property	2,364	4,000	6,364
Public health services	689	150	839
Transportation	-	12,345	12,345
General government	18,751	123	18,874
Debt service:			
Principal retirement	-	17,000	17,000
Total cash disbursements	<u>21,804</u>	<u>33,618</u>	<u>55,422</u>
Total cash receipts over/(under) cash disbursements	<u>4,607</u>	<u>(9,809)</u>	<u>(5,202)</u>
Other financing disbursements:			
Sale of assets	-	17,000	17,000
Other uses	(22)	-	(22)
Transfers out	(1,816)	-	(1,816)
Total other financing disbursements	<u>(1,838)</u>	<u>17,000</u>	<u>15,162</u>
Excess of cash receipts over cash disbursements and other financing disbursements	2,769	7,191	9,960
Cash fund balances, January 1, 2002	<u>9,094</u>	<u>7,664</u>	<u>16,758</u>
Cash fund balances, December 31, 2002	<u>\$ 11,863</u>	<u>\$ 14,855</u>	<u>\$ 26,718</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH, FUND BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 76,970
Total operating cash receipts	76,970
Operating cash disbursements:	
Personal services	6,368
Transportation	933
Contractual services	32,784
Supplies and material	19,705
Capital outlay	2,046
Total operating cash disbursements	61,836
Operating income	15,134
Nonoperating cash disbursements:	
Debt service:	
Principal	(9,445)
Interest	(30,646)
Total nonoperating cash disbursements	(40,091)
Excess of receipts (under) disbursements before interfund transfers	(24,957)
Transfers in	1,816
Net receipts under disbursements after interfund transfers	(23,141)
Cash fund balances, January 1, 2002	77,522
Cash fund balances, December 31, 2002	\$ 54,381

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002

Fund Types	Receipts				Disbursements						Variance Favorable (Unfavorable)	
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2002 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2002 Appropriations	Total	Actual 2002 Disbursements	Encumbrances Outstanding at 12/31/02		Total
Governmental:												
General	\$ 5,026	\$ 26,471	\$ 31,497	\$ 26,411	\$ (60)	\$ -	\$ 27,989	\$ 27,989	\$ 23,642	\$ -	\$ 23,642	\$ 4,347
Special Revenue	6,556	35,294	41,850	40,809	5,515	-	41,850	41,850	33,618	-	33,618	8,232
Proprietary:												
Enterprise	82,704	96,000	178,704	78,786	(17,214)	-	179,950	179,950	101,927	-	101,927	78,023
Total (Memorandum Only)	\$ 94,286	\$ 157,765	\$ 252,051	\$ 146,006	\$ (11,759)	\$ -	\$ 249,789	\$ 249,789	\$ 159,187	\$ -	\$ 159,187	\$ 90,602

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of New Bloomington (the "Village") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides sewer utilities and park operations. The Village has contracted with Scioto Valley Fire Department to provide fire protection services. The Village contracts with the Marion County Sheriff's Department to provide other security of persons and property services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials have direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Village's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village.

GOVERNMENTAL FUNDS

General Fund

The general fund is used to account for all activities of the Village not required to be included in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds

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

The Village had the following significant special revenue funds:

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

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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

Fire Levy Fund - This fund receives tax revenues from residents and pays Scioto Valley Fire Department to provide fire services.

Enterprise Fund

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

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility. In addition, it also receives grant and loan proceeds from various agencies for the expansion of the Village's sewer system.

B. BASIS OF ACCOUNTING

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

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

C. BUDGETARY PROCESS

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

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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

Tax Budget:

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

Estimated Resources:

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

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Village adopted supplemental appropriations during 2003 and 2002.

Encumbrances:

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

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Village had no outstanding encumbrances at December 31, 2003 or 2002.

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$605 and \$656 for the years ended December 31, 2003 and 2002, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Fixed assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

F. INTERGOVERNMENTAL REVENUES

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

G. INTERFUND TRANSACTIONS

During the course of normal operations, the Village had transactions between funds. The most significant include:

Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

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

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 3 - COMPLIANCE

The following funds had expenditures in excess of appropriations for the years ended December 31, 2003 and 2002 in noncompliance with Ohio Revised Code Section 5705.41(B):

<u>Fund Type/FundDepartment/Line Item</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>2003</u>			
<u>General Fund</u>			
Mayor and Administrative			
Employee Benefits	\$ 376	\$ 415	\$ 39
Mayor and Administrative			
Supplies and Materials	452	497	45
<u>2002</u>			
<u>General Fund</u>			
Other:			
Dues & Fees	163	269	106
Operating Transfers Out	1,632	1,817	185
<u>Enterprise Fund</u>			
Sewer:			
Clerk/Treasurer			
Salary	3,305	3,380	75

The following fund had appropriations in excess of estimated resources for the year ended December 31, 2002, in noncompliance with Ohio Revised Code Section 5705.39:

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>2002</u>			
<u>Enterprise Fund</u>			
Sewer fund	\$ 178,704	\$ 179,950	\$ 1,246

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 4 - CASH AND CASH EQUIVALENTS

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

	2003	2002
Demand deposits	\$ 94,585	\$ 81,099
Total Deposits	\$ 94,585	\$ 81,099

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

NOTE 5 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State and are reflected in the accompanying financial statements as Intergovernmental Receipts. Real property taxes are payable annually or semiannually to the County. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 6 - DEBT OBLIGATIONS

At December 31, 2003, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 2003</u>
1998 Ohio Water Development Authority (OWDA) Sewer Plant Construction Loan, due in semiannual installments of \$7,588 through 2023 at a rate of 5.760%.	\$ 175,033
1998 United States Department of Agriculture (USDA) Mortgage Revenue Bonds, due in annual installments of varying amounts through 2038 at a rate of 4.50%.	<u>434,999</u>
Total debt obligations at December 31, 2003	<u>\$ 610,032</u>

Transactions for the year ended December 31, 2003 and 2002 are summarized as follows:

<u>Description</u>	<u>Balance at December 31, 2002</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2003</u>
<u>2003:</u>				
Loan - OWDA - 1998	\$ 179,849	\$ -	\$ (4,816)	\$ 175,033
Loan - USDA - 1998	<u>440,109</u>	<u>-</u>	<u>(5,110)</u>	<u>434,999</u>
Totals	<u>\$ 619,958</u>	<u>\$ -</u>	<u>\$ (9,926)</u>	<u>\$ 610,032</u>

<u>Description</u>	<u>Balance at December 31, 2001</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2002</u>
<u>2002:</u>				
Loan - OWDA - 1998	\$ 184,403	\$ -	\$ (4,554)	\$ 179,849
Fire Truck Lease	27,375	-	(27,375)	-
Loan - USDA - 1998	<u>445,000</u>	<u>-</u>	<u>(4,891)</u>	<u>440,109</u>
Totals	<u>\$ 656,778</u>	<u>\$ -</u>	<u>\$ (36,820)</u>	<u>\$ 619,958</u>

The fire truck lease was settled by National City Bank and the Village during 2002. The Village defaulted on its lease payments and as a result the Village was required to sell the fire truck and submit the proceeds to the bank. The fire truck was sold for \$17,000, thus, the bank forgave \$10,375.

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 6 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2003, are as follows:

Year Ending December 31	Loan - USDA - 1998		Loan - OWDA - 1998		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 5,340	\$ 19,575	\$ 2,476	\$ 5,112	\$ 7,816	\$ 24,687
2005	5,581	19,335	5,236	9,940	10,817	29,275
2006	5,832	19,083	5,538	9,638	11,370	28,721
2007	6,095	18,821	5,858	9,318	11,953	28,139
2008	6,369	18,547	6,194	8,982	12,563	27,529
2009 - 2013	36,410	88,169	36,754	38,126	73,164	126,295
2014 - 2018	45,374	79,206	48,630	27,248	94,004	106,454
2019 - 2023	56,544	68,035	64,347	11,532	120,891	79,567
2024 - 2028	70,100	54,174	-	-	70,100	54,174
2029 - 2033	87,720	36,856	-	-	87,720	36,856
2034 - 2038	<u>109,634</u>	<u>15,263</u>	<u>-</u>	<u>-</u>	<u>109,634</u>	<u>15,263</u>
Total	<u>\$ 434,999</u>	<u>\$ 437,064</u>	<u>\$ 175,033</u>	<u>\$ 119,896</u>	<u>\$ 610,032</u>	<u>\$ 556,960</u>

NOTE 7 - INTERFUND TRANSACTIONS

The Village had the following interfund transactions for the year ended December 31, 2002:

<u>2002:</u> <u>Fund Type/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,816
<u>Enterprise Fund</u>		
Sewer Fund	<u>1,816</u>	<u>-</u>
Total	<u>\$ 1,816</u>	<u>\$ 1,816</u>

All transfers were made in accordance with Section 5705.14, 5705.15 and 5705.16 of the Ohio Revised Code.

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 8 - LOCAL INCOME TAX

The Village passed an income tax which became effective July 1, 2002. This locally levied tax of 1% applies to gross salaries, wages and other personal service compensation earned by residents both in and out of the Village and to earnings of nonresidents (except certain transients) earned in the Village. It also applies to the net income of business organizations located within the Village. The Village's income tax is administered by the Regional Income Tax Agency. Tax receipts are credited to the Village's general fund and amounted to \$14,737 and \$3,437 in 2003 and 2002, respectively.

NOTE 9 - RETIREMENT SYSTEM

During 2003 and 2002, all employees of the Village belonged to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, OPERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. As of December 31, 2003, the Village has paid all contributions required for 2003 and 2002.

NOTE 10 - RISK MANAGEMENT

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

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

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

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

NOTE 11 - CONTINGENT LIABILITY

LITIGATION

The Village is currently not involved in litigation.

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited the financial statements of the Village of New Bloomington, Marion County, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 25, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of New Bloomington's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed several instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-VONB-001 and 2003-VONB-002. We also noted certain immaterial instances of noncompliance, which we have reported to the management of the Village of New Bloomington in a separate letter dated August 25, 2004.

Members of Council and Mayor
Village of New Bloomington

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of New Bloomington's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
August 25, 2004

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

Finding Number	2003-VONB-001
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Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.

It was noted during the audit that in the years ended December 31, 2003 and 2002, the Village had expenditures in excess of appropriations in the following line items:

<u>Fund Type/FundDepartment/Line Item</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>2003</u>			
<u>General Fund</u>			
Mayor and Administrative Employee Benefits	\$ 376	\$ 415	\$ 39
Mayor and Administrative Supplies and Materials	452	497	45
<u>2002</u>			
<u>General Fund</u>			
Other:			
Dues and Fees	163	269	106
Operation Transfers Out	1,632	1,817	185
Sewer:			
Clerk/Treasurer Salary	3,305	3,380	75

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

Finding Number	2003-VONB-001- (Continued)
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With expenditures exceeding appropriations, the Village is expending monies that have not been appropriated and approved by Council. This may result in unnecessary purchases or overspending which may lead to a fund deficit.

We recommend that the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by more frequently comparing actual expenditures to appropriations at the object level to avoid potential overspending. This may be accomplished by utilizing the computer financial software and monitoring the budgetary process continuously.

Finding Number	2003-VONB-002
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Ohio Revised Code Section 5705.39 requires that no fund should have appropriations in excess of estimated resources.

It was noted during the audit that the Village had appropriations in excess of estimated resources in the following funds for the year ended December 31, 2002:

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>2002</u>			
<u>Enterprise Fund</u>			
Sewer fund	\$ 178,704	\$ 179,950	\$ 1,246

With appropriations exceeding estimated resources, the Village is appropriating monies that are not in the Village's depository or in the process of collection that were certified to the County Auditor. This may result in a fund deficit.

We recommend that the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations versus estimated resources records and amending the budget prior to year end. If it is determined that estimated revenues will be greater than initially anticipated, the Village should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated resources.

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

**STATUS OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</u>
2001-30651-001	Ohio Revised Code Section 5705.41 (D) requires that no orders or contracts involving the expenditure of monies are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.	Yes	N/A
2001-30651-002	Ohio Revised Code Section 5705.41(B) requires in part that no subdivision is to expend monies unless it has been appropriated.	No	The Village is attempting to monitor and amend its appropriations as necessary.
2001-30651-003	Posting of estimated revenue and appropriations and monitoring of budget versus actual activity	Yes	N/A



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**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 4, 2004**