

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

*Financial Statements
(Audited)*

For The Years Ended
December 31, 2000 and 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

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Members of Council and Mayor
Village of New Rome
30 Maple Street
New Rome, Ohio 43228

We have reviewed the independent auditor's report of the Village of New Rome, Franklin County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 1999 through December 31, 2000. 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 Rome is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

July 10, 2001

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**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

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Independent Auditor's Report

Members of Council and Mayor
Village of New Rome
30 Maple St.
Columbus, OH 43228

We were engaged to audit the accompanying financial statements of the Village of New Rome, Franklin County, Ohio, as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Village of New Rome's management.

Due to the Mayor's Court Clerk admitting to destroying case records and falsifying receipts in 2000 and 1999, we were unable to obtain sufficient documentation to support the amounts recorded as "Fines, licenses, and permits" as of December 31, 2000 and 1999. The Village was unable to provide evidence supporting the receipts of Mayor's Court and available records do not permit the application of other auditing procedures to support the Mayor's Court receipts.

As discussed in Note 2, the Village of New Rome 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 generally accepted accounting principles.

Since the Mayor's Court activity is the material activity of the Village and we were not able to apply other auditing procedures to satisfy ourselves as to Mayor's Court activity, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 8, 2001, on our consideration of the Village of New Rome'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.

This report is intended solely for the information and use of the Village of New Rome'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.
June 8, 2001

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2000 AND 1999

	2000	1999
<u>Cash and Cash Equivalents:</u>		
Cash and Cash Equivalents	\$ 163,364	\$ 47,314
Total Cash and Cash Equivalents	\$ 163,364	\$ 47,314
 <u>Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 96,842	\$ 9,755
Special Revenue Funds	57,052	28,016
Debt Service Fund	9,440	8,023
Capital Projects Fund	-	865
Total Governmental Fund Types	163,334	46,659
 <u>Fiduciary Fund Type:</u>		
Agency Fund	30	655
Total Fiduciary Fund Type	30	655
Total Fund Balances	\$ 163,364	\$ 47,314

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

**VILLAGE OF NEW ROME
FRANKLIN 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, 2000

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Local taxes	\$ 2,154	\$ -	\$ -	\$ -	\$ 2,154
Intergovernmental	16,299	2,568	-	-	18,867
Fines, licenses, and permits	361,969	21,586	-	-	383,555
Interest	49	522	-	-	571
Miscellaneous	10	-	-	-	10
Total cash receipts	<u>380,481</u>	<u>24,676</u>	<u>-</u>	<u>-</u>	<u>405,157</u>
Cash disbursements:					
Current:					
Security of persons and property	231,188	2,850	-	-	234,038
Public health services	171	-	-	-	171
Transportation	63	1,414	-	-	1,477
General government	48,685	-	-	-	48,685
Debt service:					
Principal retirement	-	-	80,000	-	80,000
Interest charges	-	-	3,848	-	3,848
Total cash disbursements	<u>280,107</u>	<u>4,264</u>	<u>83,848</u>	<u>-</u>	<u>368,219</u>
Total cash receipts over/(under) cash disbursements	<u>100,374</u>	<u>20,412</u>	<u>(83,848)</u>	<u>-</u>	<u>36,938</u>
Other financing receipts/(disbursements):					
Proceeds from sale of notes	-	-	70,000	-	70,000
Operating transfers in	312	-	15,265	-	15,577
Operating transfers out	(14,400)	(312)	-	(865)	(15,577)
Other sources	801	-	-	-	801
Refund of prior year expenditure	-	8,936	-	-	8,936
Total other financing receipts/(disbursements)	<u>(13,287)</u>	<u>8,624</u>	<u>85,265</u>	<u>(865)</u>	<u>79,737</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	87,087	29,036	1,417	(865)	116,675
Cash fund balances, January 1, 2000	<u>9,755</u>	<u>28,016</u>	<u>8,023</u>	<u>865</u>	<u>46,659</u>
Cash fund balances, December 31, 2000	<u>\$ 96,842</u>	<u>\$ 57,052</u>	<u>\$ 9,440</u>	<u>\$ -</u>	<u>\$ 163,334</u>

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

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH
FUND BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000

	Fiduciary Fund Type
	Agency
Nonoperating cash receipts/(disbursements):	
Fines and fees	\$ 461,354
Distribution of fines and fees	(461,979)
Total nonoperating cash receipts/(disbursements)	(625)
Net loss	(625)
Cash fund balance, January 1, 2000	655
Cash fund balance, December 31, 2000	\$ 30

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

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2000

Fund Types	Receipts				Disbursements						Variance Favorable (Unfavorable)	
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2000 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2000 Appropriations	Total	Actual 2000 Disbursements	Encumbrances Outstanding at 12/31/00		Total
Governmental:												
General	\$ 10,088	\$ 320,500	\$ 330,588	\$ 381,594	\$ 61,094	\$ -	\$ 310,900	\$ 310,900	\$ 294,507	\$ -	\$ 294,507	\$ 16,393
Special Revenue	14,598	16,310	30,908	33,612	17,302	-	15,245	15,245	4,576	-	4,576	10,669
Debt Service	8,023	84,400	92,423	85,265	865	-	84,500	84,500	83,848	-	83,848	652
Capital Projects	865	-	865	-	-	-	865	865	865	-	865	-
Total (Memorandum Only)	\$ 33,574	\$ 421,210	\$ 454,784	\$ 500,471	\$ 79,261	\$ -	\$ 411,510	\$ 411,510	\$ 383,796	\$ -	\$ 383,796	\$ 27,714

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

**VILLAGE OF NEW ROME
FRANKLIN 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, 1999

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Local taxes	\$ 2,291	\$ -	\$ -	\$ -	\$ 2,291
Intergovernmental	15,413	13,691	-	-	29,104
Fines, licenses, and permits	256,087	17,291	-	-	273,378
Interest	64	220	-	-	284
Miscellaneous	756	-	-	-	756
Total cash receipts	<u>274,611</u>	<u>31,202</u>	<u>-</u>	<u>-</u>	<u>305,813</u>
Cash disbursements:					
Current:					
Security of persons and property	198,403	33,174	-	-	231,577
Public health services	328	-	-	-	328
Transportation	1,027	437	-	-	1,464
General government	54,792	-	-	-	54,792
Debt service					
Principal retirement	-	-	90,000	-	90,000
Interest charges	-	-	4,777	-	4,777
Total cash disbursements	<u>254,550</u>	<u>33,611</u>	<u>94,777</u>	<u>-</u>	<u>382,938</u>
Total cash receipts over/(under) cash disbursements	<u>20,061</u>	<u>(2,409)</u>	<u>(94,777)</u>	<u>-</u>	<u>(77,125)</u>
Other financing receipts/(disbursements):					
Sale of fixed assets	5,822	-	-	-	5,822
Proceeds from sale of notes	-	-	80,000	-	80,000
Operating transfers in	168	4,150	14,400	-	18,718
Operating transfers out	(16,450)	(2,268)	-	-	(18,718)
Total other financing receipts/(disbursements)	<u>(10,460)</u>	<u>1,882</u>	<u>94,400</u>	<u>-</u>	<u>85,822</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	9,601	(527)	(377)	-	8,697
Cash fund balances, January 1, 1999	<u>154</u>	<u>28,543</u>	<u>8,400</u>	<u>865</u>	<u>37,962</u>
Cash fund balances, December 31, 1999	<u>\$ 9,755</u>	<u>28,016</u>	<u>\$ 8,023</u>	<u>\$ 865</u>	<u>\$ 46,659</u>

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

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENT, AND CHANGES IN CASH
FUND BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999

	Fiduciary Fund Type
	Agency
Nonoperating cash receipts/(disbursements):	
Fines and fees	\$ 326,380
Distribution of fines and fees	(346,484)
Total nonoperating cash receipts/(disbursements)	(20,104)
Net loss	(20,104)
Cash fund balance, January 1, 1999	20,759
Cash fund balance, December 31, 1999	\$ 655

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

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1999**

Fund Types	Receipts				Disbursements					Variance Favorable (Unfavorable)	
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 1999 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1999 Appropriations	Total	Actual 1999 Disbursements		Encumbrances Outstanding at 12/31/99
Governmental:											
General	\$ 487	\$ 335,285	\$ 335,772	\$ 280,601	\$ (54,684)	\$ -	\$ 333,300	\$ 333,300	\$ 271,000	\$ -	\$ 62,300
Special Revenue	14,704	40,900	55,604	35,352	(5,548)	-	40,390	40,390	35,879	-	4,511
Debt Service	8,400	94,400	102,800	94,400	-	-	94,400	94,400	94,777	-	(377)
Capital Projects	865	-	865	-	-	-	865	865	-	-	865
Total	\$ 24,456	\$ 470,585	\$ 495,041	\$ 410,353	\$ (60,232)	\$ -	\$ 468,955	\$ 468,955	\$ 401,656	\$ -	\$ 67,299

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

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of New Rome (“the Village”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Village operates under a council-mayor form of government and provides the following services: police protection, street construction, maintenance and repair, and mayor’s court, as well as other general government 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:

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 expenditure for specific purposes.

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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

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.

Mayor's Court Computer Fund - This fund receives fine monies from the Village's Mayor's Court fund for computerization.

Debt Service Fund

This fund is used to accumulate resources for the payment of indebtedness.

The Village had the following significant Debt Service Fund:

Debt Service - This fund accumulates resources for the payment of the Municipal Building Bond Anticipation Note.

Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

Capital Improvement Fund - This fund provides monies for the purchase of large equipment, vehicles, and buildings for the Village.

Fiduciary Funds (Agency Fund)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Agency Fund:

Mayor's Court - This fund receives monies from collections on fines imposed from tickets issued by the Village's police protection force. Funds are collected in part on behalf of the State of Ohio. In addition, funds are used for safety programs, computerization, and general Village operations.

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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

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 object level within each department. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

Tax Budget:

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

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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

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.

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.

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. There were no encumbrances outstanding at December 31, 2000 or 1999.

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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

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 \$571 and \$284 for the years ended December 31, 2000 and 1999, 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 method of accounting.

G. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Village.

H. INTERFUND TRANSACTIONS

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

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.

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

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

I. 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.

NOTE 3 - CASH AND CASH EQUIVALENTS

A. LEGAL REQUIREMENTS

Statutes require the classifications of funds held by the Village into two categories:

Category 1 consists of active funds - those funds required to be kept in a cash or cash equivalent status for immediate use by the Village. Such funds must be maintained either as cash in the Village treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of inactive funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Inactive funds may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities 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;

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

NOTE 3 - CASH AND CASH EQUIVALENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).

The Village may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default principal, interest or coupons;
3. Obligations to the Village.

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. Historically, the Village has not purchased these types of investments or issued these types of notes. 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.

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

NOTE 3 - CASH AND CASH EQUIVALENTS - (Continued)

B. EQUITY IN POOLED CASH

The Village maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Village did not own investments at December 31, 2000 or 1999. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$164,364</u>	<u>\$47,314</u>
Total Deposits	<u>\$164,364</u>	<u>\$47,314</u>

C. DEPOSITS

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

For the years ended December 31, 2000 and 1999, the carrying amount of the Village's deposits, were \$164,364 and \$47,314, and the bank balances were \$182,689 and \$96,960, respectively. Of the bank balances:

1. \$100,000 and \$96,960 was covered by federal depository insurance for 2000 and 1999, respectively.
2. \$82,689 and \$0 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions for 2000.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

NOTE 4 - COMPLIANCE

The following funds had expenditures in excess of appropriations for the years ended December 31, 2000 and 1999, in noncompliance with Ohio Revised Code Section 5705.41(B):

<u>Fund Type/Fund</u> <u>Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
2000:			
<u>GENERAL FUND:</u>			
Law Enforcement			
Travel Transportation	\$ 37,000	\$40,617	\$3,617
Lands and Buildings			
Contractual Services	15,400	16,094	694
AOS Fees	100	238	138
Village Prosecutor			
Contractual Services	0	2,301	2,301
<u>SPECIAL REVENUE FUND:</u>			
Street Construction, Repair and Maintenance			
Personal Services	460	479	19
Supplies and Materials	800	935	135
1999:			
<u>GENERAL FUND:</u>			
Law Enforcement			
Capital Outlay	\$11,000	\$20,385	\$9,385
<u>DEBT SERVICE FUND:</u>			
Debt Service	\$94,400	\$94,777	\$377

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

NOTE 5 - DEBT OBLIGATIONS

At December 31, 2000, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 2000</u>
2000 Municipal Building Bond Anticipation Note, due in one annual payment on May 14, 2001, bearing interest at 7%.	<u>\$70,000</u>
Total debt obligations at December 31, 2000	<u>\$70,000</u>

Transactions for the year ended December 31, 2000 are summarized as follows:

	<u>Balance at December 31, 1999</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2000</u>
Note - Municipal Building	<u>\$80,000</u>	<u>\$70,000</u>	<u>\$(80,000)</u>	<u>\$70,000</u>
Total Notes	<u>\$80,000</u>	<u>\$70,000</u>	<u>\$(80,000)</u>	<u>\$70,000</u>

The principal and interest requirement to retire the debt obligation outstanding at December 31, 2000, is as follows:

<u>Year Ending December 31,</u>	<u>Municipal Building</u>	
	<u>Principal</u>	<u>Interest</u>
2001	<u>\$70,000</u>	<u>\$3,850</u>
TOTALS	<u>\$70,000</u>	<u>\$3,850</u>

NOTE 6 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village. 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. Payments are due to the County annually. However, if the property owner elects, he/she may make semiannual payments.

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

NOTE 6 - PROPERTY TAX - (Continued)

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.

NOTE 7 - RETIREMENT SYSTEM

All employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. During 2000, PERS instituted a temporary employer contribution rollback which required the Village to contribute 10.84% of covered payroll. The Village has paid all required contributions through December 31, 2000.

NOTE 8 - RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

NOTE 9 - CONTINGENT LIABILITY

LITIGATION

The Village is currently not involved in litigation that the Village's legal counsel anticipates a loss.

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 Rome
30 Maple St.
Columbus, OH 43228

We have audited the financial statements of the Village of New Rome as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 8, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of New Rome'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-VONR-001 and 1999-VONR-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village of New Rome in a separate letter dated June 8, 2001.

Members of Council and Mayor
Village of New Rome

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of New Rome's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2000-VONR-001, 2000-VONR-002, 1999-VONR-001, and 1999-VONR-002

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above 2000-VONR-002 and 1999-VONR-002 are material weaknesses. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the Village of New Rome's in a separate letter dated June 8, 2001.

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

Trimble, Julian & Grube, Inc.
June 8, 2001

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO
DECEMBER 31, 2000 AND 1999**

SCHEDULE OF FINDINGS

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

Finding Number	1999-VONR-001
----------------	---------------

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated.

It was noted during the audit that the Village had expenditures exceeding appropriations in the following funds:

<u>Fund Type/Fund/Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
 <u>GENERAL FUND:</u>			
Law Enforcement			
Capital Outlay	\$11,000	\$20,385	\$9,385
 <u>DEBT SERVICE FUND:</u>			
Debt Service	\$94,400	\$94,777	\$377

With expenditures exceeding appropriations, the Village is unlawfully expending monies that have not been appropriated.

We recommend that the Village comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring their expenditures so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis.

**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO
DECEMBER 31, 2000 AND 1999**

SCHEDULE OF FINDINGS

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

Finding Number	2000-VONR-001
----------------	---------------

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**VILLAGE OF NEW ROME
FRANKLIN COUNTY, OHIO
DECEMBER 31, 2000 AND 1999**

SCHEDULE OF FINDINGS

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

Finding Number	2000-VONR-002 and 1999-VONR-002
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In May of 2001, the Mayor's Court Clerk confessed to destroying case files and receipts in 2000 and 1999. The Village's controls over Mayor's Court are hampered by not utilizing a computer system to record and process cases. The Village uses a manual system which does not provide for adequate safeguarding of assets. The Village does not have any formal review in place over Mayor's Court activity. All information related to cases were kept in one file. Due to the materiality of the court revenue and the history of problems the Village has had in the Mayor's Court Clerk's position, it is of utmost importance that proper controls are implemented. We recommend the utilization of the computer program that the Village purchased. In addition, we recommend a review committee be set up to oversee the activity of the Mayor's Court as it accounts for approximately 90% of the Village's receipts.



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF NEW ROME

FRANKLIN 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
JULY 19, 2001**