



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of New Bloomington
Marion County
202 Buell Street
New Bloomington, Ohio 43341

To the Village Council:

We have audited the accompanying financial statements of the Village of New Bloomington, Marion County, Ohio, (the Village) as of and for the years ended December 31, 2001, and December 31, 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our 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 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2001, and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2002, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 finance committee, management, the Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

JIM PETRO
Auditor of State

August 8, 2002

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax	\$ 4,606	\$ 3,352	\$ 7,958
Intergovernmental Receipts	14,413	12,511	26,924
Fines, Licenses, and Permits	1,104	-	1,104
Interest	1,480	63	1,543
Miscellaneous	1,963	-	1,963
	<u>23,566</u>	<u>15,926</u>	<u>39,492</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	2,277	4,708	6,985
Leisure Time Activities	-	2,272	2,272
Transportation	400	10,738	11,138
General Government	26,812	52	26,864
Debt Service:			
Principal Payments	4,563	-	4,563
Interest Payments	1,677	-	1,677
	<u>35,729</u>	<u>17,770</u>	<u>53,499</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(12,163)</u>	<u>(1,844)</u>	<u>(14,007)</u>
Other Financing Receipts and (Disbursements):			
Sale of Fixed Assets	4,848	-	4,848
Transfers-In	-	2,600	2,600
Transfers-Out	(2,880)	-	(2,880)
	<u>1,968</u>	<u>2,600</u>	<u>4,568</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(10,195)	756	(9,439)
Fund Cash Balances, January 1, 2001	<u>19,289</u>	<u>6,908</u>	<u>26,197</u>
Fund Cash Balances, December 31, 2001	<u><u>9,094</u></u>	<u><u>7,664</u></u>	<u><u>16,758</u></u>

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

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$86,446
Total Operating Cash Receipts	86,446
Operating Cash Disbursements:	
Personal Services	6,336
Fringe Benefits	1,801
Contractual Services	22,081
Supplies and Materials	13,869
Miscellaneous	1,839
Total Operating Cash Disbursements	45,926
Operating Income	40,520
Non-Operating Cash Receipts:	
Inspection Fee	60
Total Non-Operating Cash Receipts	60
Non-Operating Cash Disbursements:	
Debt Service - Principal	4,306
Debt Service - Interest	10,870
Total Non-Operating Cash Disbursements	15,176
Excess of Receipts Over Disbursements Before Interfund Transfers	25,404
Transfers-In	280
Net Receipts Over Disbursements	25,684
Fund Cash Balance, January 1, 2001	51,838
Fund Cash Balance, December 31, 2001	\$ 77,522

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

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax	\$ 4,210	\$ 3,448	\$ 7,658
Intergovernmental Receipts	15,239	10,613	25,852
Charges for Services	15,003	-	15,003
Fines, Licenses, and Permits	20	-	20
Interest	766	563	1,329
Miscellaneous	13,867	-	13,867
	<u>49,105</u>	<u>14,624</u>	<u>63,729</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	4,582	2,694	7,276
Public Health Services	723	-	723
Transportation	-	44,006	44,006
General Government	30,423	-	30,423
Debt Service:			
Principal Payments	4,562	-	4,562
Interest Payments	1,848	-	1,848
	<u>42,138</u>	<u>46,700</u>	<u>88,838</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>6,967</u>	<u>(32,076)</u>	<u>(25,109)</u>
Other Financing Receipts and (Disbursements):			
Transfers-In	-	8,540	8,540
Transfers-Out	(8,540)	-	(8,540)
	<u>(8,540)</u>	<u>8,540</u>	<u>-</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(1,573)	(23,536)	(25,109)
Fund Cash Balances, January 1, 2000	<u>20,862</u>	<u>30,444</u>	<u>51,306</u>
Fund Cash Balances, December 31, 2000	<u>\$ 19,289</u>	<u>\$ 6,908</u>	<u>\$ 26,197</u>
Reserves for Encumbrances, December 31, 2000	<u>\$ 170</u>	<u>\$ 1,282</u>	<u>\$ 1,452</u>

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

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

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

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 83,167
Miscellaneous	4
	83,171
Total Operating Cash Receipts	83,171
Operating Cash Disbursements:	
Personal Services	7,737
Contractual Services	34,607
Supplies and Materials	1,048
	43,392
Total Operating Cash Disbursements	43,392
Operating Income	39,779
Non-Operating Cash Receipts:	
Interest	1,952
	1,952
Total Non-Operating Cash Receipts	1,952
Non-Operating Cash Disbursements:	
Debt Service - Principal	4,673
Debt Service - Interest	51,126
	55,799
Total Non-Operating Cash Disbursements	55,799
Excess of Receipts (Under) Disbursements	(14,068)
Fund Cash Balance, January 1, 2000	65,906
Fund Cash Balance, December 31, 2000	\$ 51,838
Reserve for Encumbrances, December 31, 2000	\$ 3,442

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

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of New Bloomington, Marion County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides sewer utilities, park operations, and fire protection services (only in 2000). In fiscal year 2001 the Village contracted with Scioto Valley Fire Department to provide fire protection services. The Village contracts with the Marion County Sheriff's Department to provide security of persons and property.

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

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. Cash and Investments

The Village maintains two interest-bearing checking accounts.

D. Fund Accounting

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

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**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire Levy Fund -This fund receives tax revenues for providing and maintaining fire apparatus, appliances, buildings or sights, or the payment of permanent part-time or volunteer firemen or fire fighting companies to operate the same, or to purchase ambulance services operated by a fire department or fire fighting companies.

3. 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.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not use the encumbrance method of accounting in fiscal year 2000, and did not encumber all commitments required by Ohio law in fiscal year 2001. The budgetary presentations have been adjusted to include material items that should have been encumbered.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. EQUITY IN POOLED CASH

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

	2001	2000
Demand deposits	<u>\$94,280</u>	<u>\$78,035</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001, and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$38,584	\$28,414	(\$10,170)
Special Revenue	35,695	18,526	(17,169)
Enterprise	79,000	86,786	7,786
Total	<u>\$153,279</u>	<u>\$133,726</u>	<u>(\$19,553)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriations	Budgetary Expenditures	Variance
General	\$53,177	\$38,609	\$14,568
Special Revenue	40,335	17,770	22,565
Enterprise	137,917	61,102	76,815
Total	<u>\$231,429</u>	<u>\$117,481</u>	<u>\$113,948</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$41,059	\$49,105	\$8,046
Special Revenue	14,492	23,164	8,672
Enterprise	90,916	85,123	(5,793)
Total	<u>\$146,467</u>	<u>\$157,392</u>	<u>\$10,925</u>

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriations	Budgetary Expenditures	Variance
General	\$45,853	\$50,848	(\$4,995)
Special Revenue	64,153	47,982	16,171
Enterprise	155,026	102,633	52,393
Total	\$265,032	\$201,463	\$63,569

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$4,995 for the year ended December 31, 2000.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village Council. 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 by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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.

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$184,403	5.73%
Mortgage Revenue Bonds	445,000	4.50%
Fire Truck Lease	27,375	5.22%
Total	\$656,778	

The Ohio Water Development Authority (OWDA) loan relates to a sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$200,000 in loans to the Village for this project. The loan will be repaid in semiannual installments of \$7,587.88 including interest, over 25 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Mortgage Revenue Bonds relate to the construction of the sewer plant expansion project. The bonds will be repaid in annual installments as set forth on the amortization schedule over 40 years. The bonds are secured by an Indenture of Mortgage on the property of the utility.

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. DEBT (Continued)

The Village entered into a lease purchase agreement with National City Bank to acquire the fire truck. The Village exercised its option under the agreement of not appropriating funds for payment on the lease. The lease agreement contained a provision stating, "in the event no funds or insufficient funds are appropriated or budgeted in any fiscal period for rent payments due under a Schedule, Lessee will immediately notify National City of such occurrence and that Schedule shall terminate on the last day of the fiscal period for which appropriations were made, without penalty or expense to the Lessee. On July 16, 2002, the Village and the Bank came to agreement that the Village would sell or transfer the fire truck to New Visions Fire Department in exchange for \$17,000, which would be paid to the Bank.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	<u>OWDA Loan</u>	<u>USDA Rural Development Bond</u>
2002	\$7,588	\$24,715
2003	15,176	24,715
2004	15,176	24,715
2005	15,176	24,715
2006	15,176	24,715
2007 - 2011	75,880	123,575
2012 - 2016	75,880	123,575
2017 - 2021	75,880	123,575
2022 - 2026	0	123,575
2027 - 2031	0	123,575
2032 - 2036	0	123,575
2037 - 2041	0	49,430
	<u>\$295,932</u>	<u>\$914,455</u>

6. RETIREMENT SYSTEMS

The Village's Clerk/Treasurer belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement 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 2001 and 2000, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.

During 2001 and 2000, the Village's Council members and the mayor elected to belong to Social Security. The Villages liability is 6.2 percent of wages paid.

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

7. RISK MANAGEMENT

Risk Pool Membership

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 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 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 uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

8. SUBSEQUENT EVENTS

Effective July 1, 2002 the Village levied a municipal income tax of 1% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.



STATE OF OHIO
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of New Bloomington
Marion County
202 Buell Street
New Bloomington, Ohio 43341

To the Village Council:

We have audited the accompanying financial statements of the Village of New Bloomington, Marion County, Ohio, (the Village) as of and for the years ended December 31, 2001, and December 31, 2000, and have issued our report thereon dated August 8, 2002. 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'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 2001-30651-001 and 2001-30651-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 8, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2001-30651-003.

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 condition described above is not a material weakness. We also noted another matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to management of the Village in a separate letter dated August 8, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

August 8, 2002

VILLAGE OF NEW BLOOMINGTON
MARION COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND DECEMBER 31, 2000

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

FINDING NUMBER 2001-30651-001

Proper Certification by Village Clerk/Treasurer

Ohio Rev. Code Section 5705.41(D) states no order or contract involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer certifying 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. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two "exceptions" to the above requirement:

- a. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- b. If the amount involved is less than \$1,000, the fiscal officer may authorize it to be paid without the affirmation of the Council, if such expenditure is otherwise valid.

One hundred percent of the transactions tested in 2000 and twenty seven percent of transactions tested in 2001 were not certified by the Clerk/Treasurer prior to the commitment being incurred, and neither of the exceptions provided for were used.

To improve controls over disbursements, we recommend that all disbursements receive certification of the Clerk/Treasurer that funds are or will be available.

FINDING NUMBER 2001-30651-002

Expenditures Exceeding Appropriations

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

In 2000, expenditures exceeded appropriations in the General Fund in the amount of \$4,995.

The Clerk/Treasurer should deny payment requests exceeding appropriations. The Clerk/Treasurer may request Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND DECEMBER 31, 2000
(Continued)**

FINDING NUMBER 2001-30651-003

Posting of Estimated Revenue and Appropriations and Monitoring of Budget Versus Actual Activity

The 2001 estimated revenue and appropriation amounts posted to the Village's ledgers varied from the amount approved and filed with the County Budget Commission. For 2001, the estimated revenue amounts posted to the Village's ledgers were understated in the General Fund by \$418 and in the Special Revenue funds by \$549. Also for 2001, the appropriation amounts posted to the Village's ledgers were overstated in the Special Revenue Funds by \$3,417 and overstated in the Enterprise Fund by \$500. During 2000, no estimated revenues or appropriations were posted to the Village ledgers. Furthermore, Village Council does not perform any monitoring procedures over budget versus actual receipts and expenditures.

One purpose of the budget is to help monitor the financial activity of the Village. Control and accountability over fiscal operations is lost when the budget is not used as a management tool. Monitoring controls comprise regular management and supervisory activities established to oversee whether management's objectives are being achieved, covering operational and legal compliance, as well as financial control objectives. Monitoring controls generally are concerned with users' analysis of reports or other forms of data produced by the accounting system. Such data may indirectly provide assurance as to the reliability of financial reporting information if it conforms with the users' expectations.

To use the budget effectively, the Clerk/Treasurer should post all approved budgeted amounts to the ledgers and prepare monthly reports which show budgeted and actual amounts of receipts and disbursements. The Village Council should review and use these reports to monitor the financial activity of the Village.

**VILLAGE OF NEW BLOOMINGTON
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 AND DECEMBER 31, 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
99-1	Ohio Rev. Code Section 5705.39 – appropriations exceeding total estimated revenues	Yes	
99-1	Ohio Rev. Code Section 5705.41(B) – expenditures exceeding appropriations	No	This citation is being repeated in the current audit report.
99-2	Use of Peachtree accounting software being incompatible for governments	Yes	



STATE OF OHIO
OFFICE OF THE AUDITOR

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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
SEPTEMBER 12, 2002**