

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

*Financial Statements
(Audited)*

For The Years Ended
December 31, 1999 and 1998

SUE WILSON, CLERK/TREASURER



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490
www.auditor.state.oh.us

Members of Council
Village of New Concord
2 West Main Street
P.O. Box 10
New Concord, Ohio 43762

We have reviewed the independent auditor's report of the Village of New Concord, Muskingum County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 1998 through December 31, 1999. 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 Concord is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

September 6, 2000

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

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TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

Members of Council
Village of New Concord
2 West Main Street
P. O. Box 10
New Concord, Ohio 43762

We have audited the accompanying financial statements of the Village of New Concord, Muskingum County, as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village of New Concord's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. 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 Concord 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.

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 Concord, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances 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 21, 2000, on our consideration of the Village of New Concord's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

This report is intended solely for the information and use of the 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.
August 21, 2000

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 1999 AND 1998

	1999	1998
<u>Cash and investments</u>		
Cash and cash equivalents	\$ 165,233	\$ 163,840
Investments	541,349	561,599
Total cash and investments	\$ 706,582	\$ 725,439
 <u>Fund balances</u>		
<u>Governmental funds:</u>		
General fund	\$ 89,925	\$ 54,517
Special revenue funds	317,600	371,383
Debt service funds	19,374	30,754
Capital projects funds	4,000	4,000
Total governmental funds	430,899	460,654
 <u>Proprietary fund:</u>		
Enterprise funds	248,395	238,882
 <u>Fiduciary fund:</u>		
Agency funds	27,288	25,903
Total fund balances	\$ 706,582	\$ 725,439

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

**VILLAGE OF NEW CONCORD
MUSKINGUM 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:					
Property and other taxes	\$ 56,560	\$ 45,923	\$ 4,585		\$ 107,068
Local income taxes		294,522			294,522
Intergovernmental	120,869	47,448			168,317
Special assessments			26,826		26,826
Charges for services	103	88,333			88,436
Fines, licenses, and permits	13,055				13,055
Interest	28,568	5,346			33,914
Refunds	10,282				10,282
Rents	3,199				3,199
Donations	1,895				1,895
Miscellaneous	114	258			372
Total cash receipts	<u>234,645</u>	<u>481,830</u>	<u>31,411</u>	-	<u>747,886</u>
Cash disbursements:					
Current:					
Security of persons and property	151,530	30,653			182,183
Public health		23,043			23,043
Leisure time activities	1,351	2,550			3,901
Community environment	2,269				2,269
Transportation		114,092			114,092
General government	143,029	13,672	1,279		157,980
Capital outlay	62,514	110,849		\$ 97,472	270,835
Debt services:					
Principal			230,742	40,000	270,742
Interest and fiscal charges			33,558	2,080	35,638
Total cash disbursements	<u>360,693</u>	<u>294,859</u>	<u>265,579</u>	<u>139,552</u> #	<u>1,060,683</u>
Total cash receipts over/(under) cash disbursements	<u>(126,048)</u>	<u>186,971</u>	<u>(234,168)</u>	<u>(139,552)</u>	<u>(312,797)</u>
Other financing receipts/(disbursements):					
Sale of bonds			200,000		200,000
Sale of notes				97,472	97,472
Transfers-in	172,000	105,000	22,788	42,080	341,868
Transfers-out	(10,544)	(341,824)			(352,368)
Other sources		(3,930)			(3,930)
Total other financing receipts/(disbursements)	<u>161,456</u>	<u>(240,754)</u>	<u>222,788</u>	<u>139,552</u> #	<u>283,042</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	35,408	(53,783)	(11,380)	-	(29,755)
Cash fund balances, January 1, 1999	<u>54,517</u>	<u>371,383</u>	<u>30,754</u>	<u>4,000</u>	<u>460,654</u>
Cash fund balances, December 31, 1999	<u>\$ 89,925</u>	<u>\$ 317,600</u>	<u>\$ 19,374</u>	<u>\$ 4,000</u>	<u>\$ 430,899</u>

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

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH
FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999

	Proprietary Fund Type	Fiduciary Fund Type	Total
	Enterprise	Agency	(Memorandum Only)
Operating cash receipts:			
Charges for services	\$ 554,700		\$ 554,700
Total operating cash receipts	554,700	-	554,700
Operating cash disbursements:			
Personal services	117,330		117,330
Travel transportation	147		147
Contractual services	146,320	\$ 1,500	147,820
Supplies and material	74,053		74,053
Capital outlay	120,420		120,420
Total operating cash disbursements	458,270	1,500	459,770
Operating income (loss)	96,430	(1,500)	94,930
Nonoperating cash receipts:			
Intergovernmental	50,000		50,000
Fines		12,364	12,364
Miscellaneous		2,385	2,385
Total nonoperating cash receipts	50,000	14,749	64,749
Nonoperating cash disbursements:			
Debt service:			
Principal	44,236		44,236
Interest and fiscal charges	101,763		101,763
Fines disbursed		12,364	12,364
Other	918		918
Total nonoperating cash disbursements	146,917	12,364	159,281
Net receipts over/(under) disbursements before interfund transfers	(487)	885	398
Transfers-in	55,440	500	55,940
Transfers-out	(45,440)		(45,440)
Total transfers	10,000	500	10,500
Net receipts over disbursements after interfund transfers	9,513	1,385	10,898
Cash fund balances, January 1, 1999	238,882	25,903	264,785
Cash fund balances, December 31, 1999	\$ 248,395	\$ 27,288	\$ 275,683

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

**VILLAGE OF NEW CONCORD
MUSKINGUM 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	1999 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		Total
Governmental:												
General	\$ 22,070	\$ 462,506	\$ 484,576	\$ 406,645	\$ (55,861)	\$ 30,124	\$ 491,226	\$ 521,350	\$ 371,237	\$ 62,485	\$ 433,722	\$ 87,628
Special revenue	353,886	521,992	875,878	586,830	64,838	20,163	679,073	699,236	640,613	27,917	668,530	30,706
Debt service	30,754	241,785	272,539	254,199	12,414	-	268,876	268,876	265,579	-	265,579	3,297
Capital projects	4,000	177,475	181,475	139,552	(37,923)	-	200,173	200,173	139,552	-	139,552	60,621
Proprietary:												
Enterprise	200,781	633,340	834,121	660,140	26,800	37,803	725,697	763,500	650,627	23,246	673,873	89,627
Total	\$ 611,491	\$ 2,037,098	\$ 2,648,589	\$ 2,047,366	\$ 10,268	\$ 88,090	\$ 2,365,045	\$ 2,453,135	\$ 2,067,608	\$ 113,648	\$ 2,181,256	\$ 271,879

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

**VILLAGE OF NEW CONCORD
MUSKINGUM 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, 1998

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Property and other taxes	\$ 61,247	\$ 41,139	\$ 5,840		\$ 108,226
Local income taxes		276,760			276,760
Intergovernmental	73,459	54,406		\$ 12,500	140,365
Special assessments			37,540		37,540
Charges for services	155	93,236			93,391
Fines, licenses, and permits	17,455				17,455
Interest	25,999	12,462			38,461
Refunds	30,814				30,814
Rents	5,338				5,338
Miscellaneous	2,691				2,691
Total cash receipts	<u>217,158</u>	<u>478,003</u>	<u>43,380</u>	<u>12,500</u>	<u>751,041</u>
Cash disbursements:					
Current:					
Security of persons and property	125,305	29,651			154,956
Public health		18,634			18,634
Leisure time activities	21,028	4,860			25,888
Community environment	1,906				1,906
Transportation		87,509			87,509
General government	151,849	12,527	1,482		165,858
Capital outlay	69,092	131,612		310,330	511,034
Debt services:					
Principal		50,000	19,255		69,255
Interest and fiscal charges		2,788	17,087		19,875
Total cash disbursements	<u>369,180</u>	<u>337,581</u>	<u>37,824</u>	<u>310,330</u> #	<u>1,054,915</u>
Total cash receipts over/(under) cash disbursements	<u>(152,022)</u>	<u>140,422</u>	<u>5,556</u>	<u>(297,830)</u>	<u>(303,874)</u>
Other financing receipts/(disbursements):					
Sale of notes	40,000			301,830	341,830
Transfers-in	40,000	98,944	10,500		149,444
Transfers-out	(345)	(159,444)			(159,789)
Other sources		(3,746)			(3,746)
Total other financing receipts/(disbursements)	<u>79,655</u>	<u>(64,246)</u>	<u>10,500</u>	<u>301,830</u> #	<u>327,739</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(72,367)	76,176	16,056	4,000	23,865
Cash fund balances, January 1, 1998	<u>126,884</u>	<u>295,207</u>	<u>14,698</u>	<u>-</u>	<u>436,789</u>
Cash fund balances, December 31, 1998	<u>\$ 54,517</u>	<u>\$ 371,383</u>	<u>\$ 30,754</u>	<u>\$ 4,000</u>	<u>\$ 460,654</u>

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

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH
FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Agency	
Operating cash receipts:			
Charges for services	\$ 538,801	_____	\$ 538,801
Total operating cash receipts	538,801	-	538,801
Operating cash disbursements:			
Personal services	107,146		107,146
Contractual services	129,081		129,081
Supplies and material	59,351	\$ 37	59,388
Capital outlay	116,811	31,750	148,561
Total operating cash disbursements	412,389	31,787	444,176
Operating income (loss)	126,412	(31,787)	94,625
Nonoperating cash receipts:			
Fines		18,050	18,050
Miscellaneous	_____	37,977	37,977
Total nonoperating cash receipts	-	56,027	56,027
Nonoperating cash disbursements:			
Debt service:			
Principal	37,371		37,371
Interest and fiscal charges	100,484		100,484
Fines disbursed		18,050	18,050
Other	1,176	_____	1,176
Total nonoperating cash disbursements	139,031	18,050	157,081
Net receipts over/(under) disbursements before interfund transfers	(12,619)	6,190	(6,429)
Transfers-in	51,402	1,500	52,902
Transfers-out	(41,057)	(1,500)	(42,557)
Total transfers	10,345	-	10,345
Net receipts over (under) disbursements after interfund transfers	(2,274)	6,190	3,916
Cash fund balances, January 1, 1998	241,156	19,713	260,869
Cash fund balances, December 31, 1998	\$ 238,882	\$ 25,903	\$ 264,785

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

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1998**

Fund Types	Receipts				Disbursements				Variance Favorable (Unfavorable)			
	County Certified Unencumbered Cash	1998 Budget	Total Estimated Resources	Actual 1998 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1998 Appropriations	Total		Actual 1998 Disbursements	Encumbrances Outstanding at 12/31/98	Total
Governmental:												
General	\$ 92,468	\$ 354,206	\$ 446,674	\$ 297,158	\$ (57,048)	\$ 34,416	\$ 426,669	\$ 461,085	\$ 369,525	\$ 30,124	\$ 399,649	\$ 61,436
Special revenue	193,849	549,434	743,283	576,947	27,513	101,357	653,221	754,578	500,771	22,741	523,512	231,066
Debt service	14,697	43,567	58,264	53,880	10,313	-	48,603	48,603	37,824	-	37,824	10,779
Capital projects	-	423,000	423,000	314,330	(108,670)	-	413,000	413,000	310,330	-	310,330	102,670
Proprietary:												
Enterprise	180,058	594,932	774,990	590,203	(4,729)	61,097	697,322	758,419	592,477	37,803	630,280	128,139
Total	\$ 481,072	\$ 1,965,139	\$ 2,446,211	\$ 1,832,518	\$ (132,621)	\$ 196,870	\$ 2,238,815	\$ 2,435,685	\$ 1,810,927	\$ 90,668	\$ 1,901,595	\$ 534,090

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

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of New Concord (“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, fire protection, water, sewer, street maintenance and repair, 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.

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 expenditure for specific purposes.

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

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.

State Highway Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village state highways.

Fire Equipment Reserve Fund - This fund receives monies from charges for services for providing fire protection.

Emergency Medical Service Fund - This fund receives monies from charges for services for providing emergency medical services.

Street Assessment Fund - This fund receives monies from a special levy for street maintenance.

Local Income Tax Fund - This fund receives monies from collections on the Village's one percent income tax imposed. Funds collected are used in both general operations of the Village and for capital expenditures and maintenance and repairs as required.

Debt Service Funds

These funds are used to accumulate resources for the payment of indebtedness.

Debt Service - Sewer Extension - This fund accumulates resources for the payment of Sewer Extension project debt.

Debt Service - Wedgewood - This fund accumulates resources for the payment of Wedgewood project debt.

Debt Service - South Friendship Sewer - This fund accumulates resources for the payment of South Friendship Sewer project debt.

Debt Service - Rix Mills Sewer Upgrade - This fund accumulates resources for the payment of Rix Mills Sewer Upgrade project debt.

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

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

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise funds). The Village had the following significant Capital Projects Funds:

Capital Projects - Main Street - This fund provides monies for the Main Street project's improvements.

Capital Projects - Rix Mills Sewer - This fund provides monies for Rix Mills Sewer project's improvements.

Enterprise Funds

These funds account 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 significant enterprise funds:

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

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

Debt Service - Sewer - This fund accumulates resources for the payment of debt for this project.

Fiduciary Funds (Agency Funds)

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

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

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

Mayor's Court (agency) - 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.

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.

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 CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

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.

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

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 \$33,914 and \$38,461, for the year ended December 31, 1999 and 1998, 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 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.

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

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

The Village maintains individual cash balances in bank accounts and short-term cash equivalents classified as "Cash and Cash Equivalents" on the Statement of Fund Balances.

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 CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

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 CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 3 - CASH AND CASH EQUIVALENTS - (Continued)

B. DEPOSITS AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand Deposits	\$165,233	\$163,840
Repurchase Agreement - Investment	<u>541,349</u>	<u>561,599</u>
 Total Deposits and Investments	 <u>\$706,582</u>	 <u>\$725,439</u>

For the year ended December 31, 1999, the carrying amount of the balance of the Village's deposits was \$165,233, and the bank balance was \$201,487. Of the bank balance:

1. \$151,487 was covered by federal depository insurance for 1999.
2. \$50,000 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Village held to a successful claim by the FDIC.

For the year ended December 31, 1998, the carrying amount of the balance of the Village's deposits was \$163,840, and the bank balance was \$200,239. Of the bank balance:

1. \$150,239 was covered by federal depository insurance for 1998.
2. \$50,000 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Village held to a successful claim by the FDIC.

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 3 - CASH AND CASH EQUIVALENTS - (Continued)

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.

C. INVESTMENTS

For the years ended December 31, 1999 and 1998, the Village held investments of repurchase agreements which are uninsured and unregistered investments in which the securities are held by the counterparty's trust department or agent in the Village's name. The market value of the repurchase agreements was approximately the same as the carrying value.

NOTE 4 - COMPLIANCE

The following funds had appropriations in excess of estimated revenues and unencumbered cash for the years ended December 31, 1999 and 1998, in noncompliance with Ohio Revised Code Section 5705.39: General fund, EMS fund, South Friendship Debt Service fund, Rix Mills Sewer Upgrade Debt Service fund, South Friendship Capital Projects fund, and Rix Mills Sewer Construction Capital Projects fund.

The following funds had expenditures in excess of appropriations for the years ended December 31, 1999 and 1998, in noncompliance with Ohio Revised Code Section 5705.41: General fund; Street Construction, Repair and Maintenance fund; State Highway fund; EMS fund; Income Tax fund; Fire Equipment Reserve fund; Permissive Tax fund; One Ton Truck Debt Service fund; Water fund; and Sewer fund.

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 5 - DEBT OBLIGATIONS

At December 31, 1999, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 1999</u>
1988 Special Assessment bonds - Wedgewood, due in semiannual payments of varying amounts through 2008 at a rate of 8.20%.	\$ 50,000
1999 Main Street Lighting bonds, due in annual payments of \$27,045 through 2009 at a rate of 5.90%.	200,000
1994 Ohio Water Development Authority (OWDA) Water Improvement loan, due in semiannual payments of \$46,269 through 2021 at a rate of 5.85%.	1,115,735
1994 Ohio Water Development Authority (OWDA) Sewer Improvement loan, due in semiannual payments of \$12,084 through 2015 at a rate of 4.56%.	266,514
1985 Sewer USDA Mortgage Revenue Bonds, due in annual payments of varying amounts through 2025 at a rate of 5%.	592,000
1998 Ohio Water Development Authority (OWDA) Sewer loan, due in semiannual payments of \$13,369 through 2008 at a rate of 5.66%.	<u>183,885</u>
Total debt obligations at December 31, 1999	<u>\$2,408,134</u>

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 5 - DEBT OBLIGATIONS - (Continued)

<u>1999:</u>	<u>Balance at</u> <u>December 31, 1998</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at</u> <u>December 31, 1999</u>
Truck & Cruiser Note	\$ 6,186		\$ 6,186	\$ -
Special Assessment Bonds- Wedgewood	55,000		5,000	50,000
Main Street Lighting Bond Anticipation Notes	200,000		200,000	-
Main Street Real Estate Bond Anticipation Notes	40,000		40,000	-
Main Street Lighting Bonds		\$200,000		200,000
OWDA Loan - Water 1994	1,141,495		25,760	1,115,735
OWDA Loan - Sewer 1994	278,129		11,615	266,514
USDA Mortgage Revenue Bonds	603,000		11,000	592,000
OWDA Loan - Sewer 1998	<u>101,830</u>	<u>97,472</u>	<u>15,417</u>	<u>183,885</u>
 Total All Funds	 <u>\$2,425,640</u>	 <u>\$297,472</u>	 <u>\$314,978</u>	 <u>\$2,408,134</u>
 <u>1998:</u>	 <u>Balance at</u> <u>December 31, 1997</u>	 <u>Proceeds</u>	 <u>Payments</u>	 <u>Balance at</u> <u>December 31, 1998</u>
EMS Vehicle Note	\$ 50,000		\$ 50,000	\$ -
Truck & Equipment Note	12,372		6,186	6,186
Special Assessment Bonds- Wedgewood	60,000		5,000	55,000
Main Street Lighting Bond Anticipation Notes		\$200,000		200,000
Main Street Real Estate Bond Anticipation Notes		40,000		40,000
OWDA Loan - Water 1994	1,165,831		24,336	1,141,495
OWDA Loan - Sewer 1994	289,233		11,104	278,129
USDA Mortgage Revenue Bonds	613,000		10,000	603,000
OWDA Loan - Sewer 1998	<u> </u>	<u>101,830</u>	<u> </u>	<u>101,830</u>
 Total All Funds	 <u>\$2,190,436</u>	 <u>\$341,830</u>	 <u>\$106,626</u>	 <u>\$2,425,640</u>

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 5 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirement to retire the debt obligation outstanding at December 31, 1999, is as follows:

	Special Assessment Bonds- Wedgewood		1999 Main St. Lighting Bonds		1994 OWDA Water Improvement Loan		1994 OWDA Sewer Improvement Loan		1985 Sewer USDA Mortgage Revenue Bonds		1998 OWDA Sewer Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 5,000	\$ 4,100	\$15,245	\$11,800	\$ 27,267	\$ 65,271	\$ 12,151	\$ 12,016	\$ 12,000	\$ 29,600	\$ 16,290	\$10,448
2001	5,000	3,690	16,144	10,901	28,862	63,676	12,712	11,455	12,000	29,000	17,212	9,526
2002	5,000	3,280	17,097	9,948	30,550	61,988	13,298	10,870	13,000	28,400	18,186	8,552
2003	5,000	2,870	18,106	8,939	32,338	60,200	13,911	10,256	13,000	27,750	19,216	7,522
2004	5,000	2,460	19,174	7,871	34,229	58,309	14,554	9,614	14,000	27,100	20,304	6,434
2005 - 2009	25,000	5,740	114,234	20,991	203,631	259,057	83,477	37,362	81,000	124,300	92,677	13,575
2010 - 2014					270,581	192,107	104,587	16,252	105,000	101,750		
2015 - 2019					359,523	103,165	11,824	259	133,000	72,850		
2020 - 2024					128,754	10,054			170,000	36,050		
Subsequent									39,000	1,950		
Total	<u>\$50,000</u>	<u>\$22,140</u>	<u>\$200,000</u>	<u>\$70,450</u>	<u>\$1,115,735</u>	<u>\$873,827</u>	<u>\$266,514</u>	<u>\$108,084</u>	<u>\$592,000</u>	<u>\$478,750</u>	<u>\$183,885</u>	<u>\$56,057</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.

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 CONCORD
MUSKINGUM COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

NOTE 7 - LOCAL INCOME TAX

This locally levied tax of one percent 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. Tax receipts are credited to the Village and amounted to \$294,522 for 1999 and \$276,760 for 1998.

NOTE 8 - RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide 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 1999 and 1998, members of PFDPF contribute 10% of their wages to the PFDPF. The Village contributes an amount equal to 19.5% of police employees' wages and 24% of firefighter employees' wages. PERS members contribute 8.5% of their gross salaries. The Village contributes an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999 and 1998.

NOTE 9 - RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- General liability and casualty
- Public official's liability
- Property (fleet and fire).

The Village also provides health, life, disability, and prescription insurance to full-time employees through a private carrier.

NOTE 10 - CONTINGENT LIABILITY

LITIGATION

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

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

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
Village of New Concord
2 West Main St.
P. O. Box 10
New Concord, Ohio 43762

We have audited the financial statements of the Village of New Concord, Muskingum County, Ohio, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 21, 2000. 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 Concord'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 1999-001 and 1999-002. We also noted certain immaterial instances of noncompliance, that we have reported to management of the Village of New Concord in a separate letter dated August 21, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of New Concord'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 1999-001 and 1999-002.

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 are not 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 in a separate letter dated August 21, 2000.

This report is intended for the information of the Council of the Village of New Concord 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.
August 21, 2000

SCHEDULE OF FINDINGS

**Village of New Concord
Muskingum County
December 31, 1999 and 1998**

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
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Finding Number	1999-001
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Ohio Revised Code Section 5705.39 in part requires that the total appropriation from each fund should not exceed total estimated resources.

It was noted during the audit that the total appropriations exceeded the total amended estimated resources for the following funds at December 31, 1999: General fund, EMS fund, South Friendship Debt Service fund, Rix Mills Sewer Upgrade Debt Service fund, South Friendship Capital Projects fund, and Rix Mills Sewer Construction Capital Projects fund.

When appropriations exceed amended estimated resources, the Village may spend monies not lawfully appropriated for those purposes and thus could cause a fund deficit.

We recommend that the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring appropriations throughout the fiscal year and amending the estimated resources as necessary.

Finding Number	1999-002
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Ohio Revised Code Section 5705.41(B) requires in part that no subdivision is to expend monies unless it has been appropriated.

It was noted during the audit that the Village had expenditures plus encumbrances in excess of appropriations at the legal level of control in the following funds during 1999: General fund; Street Construction, Repair and Maintenance fund; State Highway fund; EMS fund; Income Tax fund; Fire Equipment Reserve fund; Permissive Tax fund; One Ton Truck Debt Service fund; Water fund; and Sewer fund.

When expenditures plus encumbrances exceed appropriations, the Village may unlawfully expend monies that have not been approved.

We recommend that the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

VILLAGE OF NEW CONCORD

MUSKINGUM 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 14, 2000