

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO**

*Financial Statements
(Audited)*

For The Year Ended
December 31, 1999

TRIMBLE, JULIAN & GRUBE, INC.

TJG

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO**

*Financial Statements
(Audited)*

For The Year Ended
December 31, 1999

GERTRUDE DURNWALD, CLERK/TREASURER

VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO

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STATE OF OHIO
OFFICE OF THE AUDITOR

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Members of Council and Mayor
Village of New Washington
119 East Mansfield Street
New Washington, Ohio 44854

We have reviewed the independent auditor's report of the Village of New Washington, Crawford County, prepared by Trimble, Julian & Grube, Inc., Certified Public Accountants, for the audit period January 1, 1999 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 Washington is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

April 12, 2000

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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Independent Auditor's Report

Members of Council and Mayor
Village of New Washington
119 E. Mansfield Street
New Washington, Ohio 44854

We have audited the accompanying financial statements of the Village of New Washington, Crawford County, Ohio as of and for the year ended December 31, 1999. These financial statements are the responsibility of the Village of New Washington'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 Washington 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.

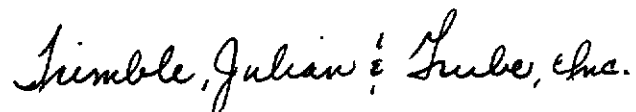
In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of the Village of New Washington, as of December 31, 1999, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements for the year then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 10, 2000 on our consideration of the Village of New Washington's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Independent Auditor's Report
Village of New Washington
Page 2

Our audit was performed for the purpose of forming an opinion on the financial statements of the Village of New Washington, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Village of New Washington's management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Trimble, Julian & Grube, Inc.".

Trimble, Julian & Grube, Inc.
March 10, 2000

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO**

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

	<u>1999</u>
<u>Cash:</u>	
Cash and Cash Equivalents	\$ <u>973,306</u>
Total Cash	<u>\$ 973,306</u>
<u>Fund Balances:</u>	
<u>Governmental Funds:</u>	
General Fund	\$ 107,171
Special Revenue Funds	77,521
Debt Service Fund	<u>60,328</u>
Total Governmental Funds	<u>245,020</u>
<u>Proprietary Fund:</u>	
Enterprise Funds	<u>712,964</u>
<u>Fiduciary Funds:</u>	
Expendable Trust Fund	5,000
Nonexpendable Trust Fund	<u>10,322</u>
Total Fiduciary Funds	<u>15,322</u>
Total Fund Balances	<u>\$ 973,306</u>

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

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO**

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

	Governmental Fund Types			Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust	
Cash receipts:					
Local taxes	\$ 255,737	\$ 29,078	\$ 40,710		\$ 325,525
Intergovernmental	85,386	34,948			120,334
Special assessments		15,563			15,563
Charges for services	195				195
Fines, licenses, and permits	1,876				1,876
Interest	8,473	1,155			9,628
Contributions/donations				\$ 5,000	5,000
Miscellaneous	5,827	155			5,982
Total cash receipts	<u>357,494</u>	<u>80,899</u>	<u>40,710</u>	<u>5,000</u>	<u>484,103</u>
Cash disbursements:					
Current:					
Security of persons and property	122,920	9,479			132,399
Public health services	4,593	10,995			15,588
Leisure time activities	34,614				34,614
Community environment	550				550
Basic utility services	5,825	873			6,698
Transportation	4,954	60,574			65,528
General government	120,529		883		121,412
Debt Service:					
Principal retirement		23,616	20,000		43,616
Interest charges		6,519	9,800		16,319
Total cash disbursements	<u>293,985</u>	<u>112,056</u>	<u>30,683</u>	<u>-</u>	<u>436,724</u>
Total cash receipts over/(under) cash disbursements	<u>63,509</u>	<u>(31,157)</u>	<u>10,027</u>	<u>5,000</u>	<u>47,379</u>
Other financing receipts/(disbursements):					
Advance-in	12,000				12,000
Advance-out	(12,000)				(12,000)
Transfers-in		35,000			35,000
Transfers-out	(83,000)				(83,000)
Total other financing receipts/(disbursements)	<u>(83,000)</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>(48,000)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(19,491)	3,843	10,027	5,000	(621)
Cash fund balances, January 1, 1999	<u>126,662</u>	<u>73,678</u>	<u>50,301</u>	<u>-</u>	<u>250,641</u>
Cash fund balances, December 31, 1999	<u>\$ 107,171</u>	<u>\$ 77,521</u>	<u>\$ 60,328</u>	<u>\$ 5,000</u>	<u>\$ 250,020</u>

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

VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO

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

	Proprietary	Fiduciary Fund Types		Total
	Fund Type	Nonexpendable	Agency	(Memorandum Only)
	Enterprise	Trust		
Operating cash receipts:				
Charges for services	\$ 168,838			\$ 168,838
Reimbursements	24,790			24,790
Bulk sales and tap fees	13,935			13,935
Total operating cash receipts	207,563	-	-	207,563
Operating cash disbursements:				
Personal services	101,136			101,136
Contractual services	98,566			98,566
Supplies and material	59,965			59,965
Capital outlay	3,828,349			3,828,349
Total operating cash disbursements	4,088,016	-	-	4,088,016
Operating loss	(3,880,453)	-	-	(3,880,453)
Nonoperating cash receipts:				
Proceeds of notes	2,691,000			2,691,000
Intergovernmental	1,840,133			1,840,133
Contributions/donations		\$ 10,000		10,000
Interest	2,358	322		2,680
Fines			\$ 2,188	2,188
Total nonoperating cash receipts	4,533,491	10,322	2,188	4,546,001
Nonoperating cash disbursements:				
Distribution of fines collected			2,188	2,188
Total nonoperating cash disbursements	-	-	2,188	2,188
Net of cash receipts over cash disbursements before interfund transfers and advances	653,038	10,322	-	663,360
Advance-in	12,000			12,000
Advance-out	(12,000)			(12,000)
Transfers-in	48,000			48,000
Total transfers and advances	48,000	-	-	48,000
Net of cash receipts over cash disbursements after interfund transfers and advances	701,038	10,322	-	711,360
Cash fund balances, January 1, 1999	11,926	-	-	11,926
Cash fund balances, December 31, 1999	\$ 712,964	\$ 10,322	\$ -	\$ 723,286

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

VILLAGE OF NEW WASHINGTON
CRAWFORD 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				Encumbrances Outstanding at 12/31/99	Total	Variance Favorable (Unfavorable)
	Budget	Actual 1999 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1999 Appropriations	Total	Actual 1999 Disbursements			
Governmental:										
General	\$ 347,450	\$ 369,494	\$ 22,044		\$ 282,566	282,566	\$ 388,985	\$ 388,985	\$ (106,419)	
Special Revenue	127,447	115,899	(11,548)		60,312	60,312	112,056	112,056	(51,744)	
Debt Service	39,000	40,710	1,710		44,651	44,651	30,683	30,683	13,968	
Proprietary:										
Enterprise	169,999	4,801,054	4,631,055		280,897	280,897	4,100,016	4,100,016	(3,819,119)	
Fiduciary:										
Expendable Trust	5,000	5,000	-		-	-	-	-	-	
Nonexpendable Trust	10,000	10,322	322		-	-	-	-	-	
Total (Memorandum Only)	\$ 698,896	\$ 5,342,479	\$ 4,643,583		\$ 668,426	\$ 668,426	\$ 4,631,740	\$ 4,631,740	\$ (3,963,314)	

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

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of New Washington ("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: security of persons and property, health services, leisuretime activities, community environment, basic utility services, road repair and maintenance and general governmental services.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIS OF PRESENTATION - FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Funds

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

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

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

The Village had the following significant special revenue funds:

Fire Fund - This fund receives property tax revenue money used to provide fire fighting assistance to the Village.

Ambulance Fund - This fund receives property tax revenue money used to provide ambulance services to the Village.

Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness.

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, grants and loan proceeds from various agencies for the installation of a sewer system.

Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Park Fund - (Expendable Trust Fund) - This fund received monies from an estate to be used for community park purposes.

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

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

Music Trust Fund - (Nonexpendable Trust Fund) - This fund received monies from an estate, interest earned may be spent for music purposes.

Mayor's Court - (Agency Fund) - 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.

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

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

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All 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.

Estimated Resources:

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

Appropriations:

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

Encumbrances:

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

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

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

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Village had no encumbrances at December 31, 1999.

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 \$12,308 for the year ended December 31, 1999.

E. PROPERTY, PLANT AND EQUIPMENT

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

F. INTERGOVERNMENTAL REVENUES

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

G. INTERFUND TRANSACTIONS

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

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

Advances of resources from one fund to another fund. The resources advanced are for short-term purposes and are expected to be repaid within one year.

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

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

H. 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.

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 - COMPLIANCE

In accordance with Ohio Revised Code Section 5705.41 (B), the following funds had expenditures plus encumbrances in excess of appropriations for the year ended December 31, 1999.

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
GENERAL FUND	\$282,566	\$388,985	\$106,419
<u>SPECIAL REVENUE FUNDS:</u>			
Street Maintenance and Repair	4,371	67,992	63,621
State Highway	1,546	2,621	1,075
Fire	20,264	30,726	10,462
<u>ENTERPRISE FUNDS:</u>			
Water	269,115	429,995	160,880
Sewer	11,782	3,670,021	3,658,239

Disclosure is presented at the fund level, rather than at the department and activity level within the fund due to the practicality of determining these values.

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 4 - INTERFUND TRANSACTIONS

A. The following is a summarized breakdown of the Village's operating transfers for 1999:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>GENERAL FUND</u>		\$83,000
<u>SPECIAL REVENUE FUND:</u>		
Street Maintenance & Repair	\$35,000	
<u>ENTERPRISE FUNDS:</u>		
Water	43,000	
Sewer	<u>5,000</u>	<u> </u>
Totals	<u>\$83,000</u>	<u>\$83,000</u>

B. The following is a summarized breakdown of the Village's short-term advances for 1999:

	<u>Advance In</u>	<u>Advance Out</u>
<u>GENERAL FUND</u>	\$12,000	\$12,000
<u>ENTERPRISE FUND:</u>		
Water	<u>12,000</u>	<u>12,000</u>
Totals	<u>\$24,000</u>	<u>\$24,000</u>

NOTE 5 - EQUITY IN POOLED CASH

Moneys held by the Village are classified by State statute into two categories. Active moneys are public moneys determined to be necessary to meet current demand upon the Village treasury. Active moneys must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 5 - EQUITY IN POOLED CASH - (Continued)

Moneys held by the Village which are not considered active are classified as inactive. Inactive moneys 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;
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) 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 of principal, interest or coupons;
3. Obligations to the Village.

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 5 - EQUITY IN POOLED CASH - (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

DEPOSITS

For the year ended December 31, 1999, the carrying amount of the Village's deposit, was \$973,306 and the bank balance was \$996,672. Of the bank balance:

1. \$199,636 was covered by federal depository insurance.
2. \$400,000 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.
3. \$397,036 was uninsured and uncollateralized.

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.

NOTE 6 - LOCAL INCOME TAX

This locally levied tax of 1.00% 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 \$217,354 in 1999.

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 7 - 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, they 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 WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 8 - DEBT OBLIGATIONS

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

<u>Description</u>	<u>Balance at December 31, 1999</u>
1999 Ohio Water Development Authority (OWDA) note for construction of sewer system, due in full in March of 2000 upon receipt of financing funds from United States Department of Agriculture (USDA) - Rural Development Department.	\$2,691,000
1998 OWDA planning note for the construction of sewer system, repaid by March of 2000 upon receipt of financing funds from USDA - Rural Development Department.	203,938
1996 bond for the purchase of a fire truck, due in annual installments of \$19,996, through 2005 bearing interest at 5.60%.	99,573
1979 (OWDA) bond for water and sewer improvements, due in annual installments of varying amounts through 2005, bearing interest at 7.00%.	<u>120,000</u>
Total debt obligations at December 31, 1999	<u>\$3,114,511</u>

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 8 - DEBT OBLIGATIONS - (Continued)

Transactions for the year ended December 31, 1999 are summarized as follows:

	<u>Balance at December 31, 1998</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 1999</u>
Note - OWDA - 1999		\$ 2,691,000		\$ 2,691,000
Note - OWDA - 1998	\$203,938			203,938
Note - Backhoe - 1996	<u>9,961</u>		\$ 9,961	
Total Notes	<u>213,899</u>	<u>2,691,000</u>	<u>9,961</u>	<u>2,894,938</u>
Bond - Fire Truck - 1996	113,228		13,655	99,573
Bond - OWDA - 1979	<u>140,000</u>		<u>20,000</u>	<u>120,000</u>
Total Bonds	<u>253,228</u>		<u>33,655</u>	<u>219,573</u>
Total Debt	<u>\$467,127</u>	<u>\$ 2,691,000</u>	<u>\$ 43,616</u>	<u>\$ 3,114,511</u>

Proceeds of notes for the OWDA note in 1998 includes capitalized interest in the amount of \$18,530. As of the date of these financial statements, capitalized interest has not been calculated on the proceeds of notes for the OWDA note in 1999.

The principal and interest requirements to retire the debt obligations outstanding at December 31, 1999, are as follows:

<u>Year Ending December 31,</u>	<u>Note - OWDA</u>		<u>Note - OWDA</u>		<u>Bond - Fire Truck</u>		<u>Bond - OWDA</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2000	\$2,691,000		\$203,938		\$ 14,419	\$5,577	\$ 20,000	\$ 8,400
2001					15,227	4,769	20,000	7,000
2002					16,080	3,916	20,000	5,600
2003					16,980	3,016	20,000	4,200
2004					17,932	2,064	20,000	2,800
2005					<u>18,935</u>	<u>1,061</u>	<u>20,000</u>	<u>1,400</u>
TOTALS	<u>\$2,691,000</u>	<u>\$</u>	<u>\$ 203,938</u>	<u>\$</u>	<u>\$99,573</u>	<u>\$20,403</u>	<u>\$120,000</u>	<u>\$29,400</u>

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 9 - RETIREMENT SYSTEMS

The Village's full-time 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, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. As of December 31, 1999, the Village's unpaid portion for PERS was \$7,571 and for PFDPF was \$2,790 for the year ended December 31, 1999.

NOTE 10 - RISK MANAGEMENT

In 1999, the Village has obtained commercial insurance for the following risks:

- Buildings and contents
- Vehicles
- Inland marine
- Public official's liability

The Village also provides health insurance to full-time employees through a private carrier.

NOTE 11 - CONTINGENT LIABILITY

LITIGATION

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

NOTE 12 - SUBSEQUENT EVENTS

On March 28, 2000, the Village closed on an agreement with USDA - Rural Development that provided loan and grant proceeds to pay off its interim financing loans with OWDA. In addition, the Village is required to issue bonds to provide funding to fulfill interest and principal payment requirements of its agreements.

**VILLAGE OF NEW WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL RECEIPTS	(A) CASH FEDERAL DISBURSEMENTS
U. S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE RURAL DEVELOPMENT:				
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$1,652,000	\$1,010,662
Total U. S. Department of Agriculture			1,652,000	1,010,662
Total Federal Financial Assistance			\$1,652,000	\$1,010,662

(A) This schedule was prepared on the cash basis of accounting.

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 Washington
119 E. Mansfield Street
New Washington, Ohio 44854

We have audited the financial statements of the Village of New Washington as of and for the year ended December 31, 1999, and have issued our report thereon dated March 10, 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 Washington'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 1999-1740205-001, 1999-1740205-002 and 1999-1740205-003. We also noted a certain immaterial instance of noncompliance that we have reported to the management of the Village of New Washington in a separate letter dated March 10, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of New Washington'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 three 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 1999-1740205-001, 1999-1740205-002 and 1999-1740205-003.

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, of the reportable conditions described above, we consider items 1999-1740205-001, 1999-1740205-002 and 1999-1740205-003 to be material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to the management of the Village of New Washington in a separate letter dated March 10, 2000.

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

Trimble, Julian & Grube, Inc.
Trimble, Julian & Grube, Inc.
March 10, 2000

TRIMBLE, JULIAN & GRUBE, INC.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of Council and Mayor
Village of New Washington
119 E. Mansfield Street
New Washington, OH 44854

Compliance

We have audited the compliance of the Village of New Washington with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the fiscal year ended December 31, 1999. The Village of New Washington's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village's compliance with those requirements.

In our opinion, the Village complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended December 31, 1999.

Internal Control Over Compliance

The management of the Village is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to its federal program. In planning and performing our audit, we considered the Village's internal control over compliance with requirements that could have a direct and material effect on its major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
March 10, 2000

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505**

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY
DECEMBER 31, 1999**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under § .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs:</i>	Water and Waste Disposal Systems for Rural Communities, CFDA #10.760
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(iv)</i>	<i>Low Risk Auditee?</i>	No

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505

VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY
DECEMBER 31, 1999

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

Finding Number	1999-1740205-001
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Ohio Revised Code Section 5705.41 (D) requires that no orders or contracts involving the expenditure of monies are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

It was noted during the audit that expenditures by the Village were not certified in a timely manner.

Without timely certification, the Village may expend more funds than available in the treasury, in the process of collection or than funds appropriated.

We recommend that all orders or contracts involving the expenditure of money be timely certified to insure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The Village should consider using "Then" and "Now" certificates where applicable.

Finding Number	1999-1740205-002
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Ohio Administrative Code Sections 117-05-01 to 117-05-18 in part requires that an appropriation ledger be maintained.

It was noted during the audit that an appropriation ledger was not maintained throughout the year.

It is unlawful for the Village to expend monies or incur obligations without maintaining an appropriation ledger.

We recommend that the Village Council maintain the required ledgers, and update them according to Village activity. These ledgers should be reviewed periodically by the Village Council to insure compliance with the Ohio Administrative Code Sections.

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505

VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY
DECEMBER 31, 1999

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

Finding Number	1999-1740205-003
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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 has expenditures plus encumbrances exceeding appropriations in the following funds:

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
GENERAL FUND	\$282,566	\$388,985	\$106,419
<u>SPECIAL REVENUE FUNDS:</u>			
Street Maintenance & Repair	4,371	67,992	63,621
State Highway	1,546	2,621	1,075
Fire	20,264	30,726	10,462
<u>ENTERPRISE FUNDS:</u>			
Water	269,115	429,995	160,880
Sewer	11,782	3,670,021	3,658,239

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 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.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY
STATUS OF PRIOR AUDIT FINDINGS**

<u>CITATIONS</u>	<u>STATUS</u>	<u>EXPLANATION IF NOT FULLY IMPLEMENTED</u>
Ohio Revised Code Section 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.	Not Corrected	The Village will make an effort to monitor its appropriations and expenditures more closely and approve amendments if required.
Ohio Revised Code Section 5705.41 (D) states that no subdivision shall make any contract or order involving the expenditure of money unless the certificate of the fiscal officer is attached.	Not Corrected	The Village will make an effort to issue and attach certificates of the fiscal officer to all required purchases.
The Village Clerk/Treasurer did not maintain the estimated revenues and appropriations balances in the revenue and expenditure ledgers.	Not Corrected	The Village will make an effort to post the required amounts and maintain an accurate and up to date balance.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
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VILLAGE OF NEW WASHINGTON

CRAWFORD 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.

By: Susan Babbitt

Date: MAY 02 2000