



**Auditor of State
Betty Montgomery**

VILLAGE OF NEY
DEFIANCE COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Ney
Defiance County
230 E. Main Street, P.O. Box 237
Ney, Ohio 43549-0237

To the Village Council:

We have audited the accompanying financial statements of the Village of Ney, Defiance County, (the Village) as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2003 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Village of Ney
Defiance County
Independent Accountants' Report
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 27, 2003

**VILLAGE OF NEY
DEFIANCE COUNTY**

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

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property Tax and Other Local Taxes	\$8,925	\$6,240			\$15,165
Special Assessments		7,742			7,742
Intergovernmental Receipts	79,318	12,622	\$3,806		95,746
Fines, Licenses, and Permits	845				845
Earnings on Investments	7,038	370		\$880	8,288
Miscellaneous	2,552				2,552
Total Cash Receipts	98,678	26,974	3,806	880	130,338
Cash Disbursements:					
Current:					
Security of Persons and Property	6,681	7,337			14,018
Leisure Time Activities	1,085				1,085
Basic Utility Services	4,525				4,525
Transportation	14,345	14,844			29,189
General Government	43,559	151			43,710
Capital Outlay	22,581		3,806		26,387
Total Cash Disbursements	92,776	22,332	3,806		118,914
Total Cash Receipts Over Cash Disbursement	5,902	4,642		880	11,424
Other Financing Receipts:					
Sale of Fixed Assets	1,000				1,000
Other Financing Sources	2,234				2,234
Total Other Financing Receipts	3,234				3,234
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	9,136	4,642		880	14,658
Fund Cash Balances, January 1	179,392	30,215	3,920	31,993	245,520
Fund Cash Balances, December 31	\$188,528	\$34,857	\$3,920	\$32,873	\$260,178
Reserves for Encumbrances, December 31	\$5				\$5

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

**VILLAGE OF NEY
DEFIANCE COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$53,498
Miscellaneous	165,677
	219,175
Total Operating Cash Receipts	219,175
Operating Cash Disbursements:	
Personal Services	6,245
Fringe Benefits	937
Contractual Services	13,005
Supplies and Materials	10,285
Miscellaneous	195
Capital Outlay	323,946
	354,613
Total Operating Cash Disbursements	354,613
Operating Loss	(135,438)
Non-Operating Cash Receipts:	
Interest	\$1,533
Proceeds from Loans	217,625
	219,158
Total Non-Operating Cash Receipts	219,158
Non-Operating Cash Disbursements:	
Debt Service - Principal	10,000
Debt Service - Interest	7,900
	17,900
Total Non-Operating Cash Disbursements	17,900
Excess of Receipts Over Disbursements	65,820
Fund Cash Balances, January 1	125,882
Fund Cash Balances, December 31	\$191,702
Reserve for Encumbrances, December 31	

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

**VILLAGE OF NEY
DEFIANCE COUNTY**

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

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property Tax and Other Local Taxes	\$7,643	\$6,621	\$5,417		\$19,681
Special Assessments		7,204			7,204
Intergovernmental Receipts	73,541	13,065			86,606
Fines, Licenses, and Permits	880				880
Earnings on Investments	9,321	490		\$1,498	11,309
Miscellaneous	3,142				3,142
Total Cash Receipts	94,527	27,380	5,417	1,498	128,822
Cash Disbursements:					
Current:					
Security of Persons and Property	9,297	12,742			22,039
Public Health Services	1,211				1,211
Leisure Time Activities	1,037				1,037
Basic Utility Services	9,650				9,650
Transportation	17,800	12,513			30,313
General Government	42,239	92			42,331
Capital Outlay	14,990		5,417		20,407
Total Cash Disbursements	96,224	25,347	5,417		126,988
Total Cash Receipts Over/ (Under) Cash Disbursements	(1,697)	2,033		1,498	1,834
Other Financing Receipts and (Disbursements):					
Proceed of Loans			3,920		3,920
Transfers-In		1,500			1,500
Transfers-Out	(1,500)				(1,500)
Other Financing Sources	1,789				1,789
Total Other Financing Receipts and (Disbursements)	289	1,500	3,920		5,709
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,408)	3,533	3,920	1,498	7,543
Fund Cash Balances, January 1	180,800	26,682		30,495	237,977
Fund Cash Balances, December 31	\$179,392	\$30,215	\$3,920	\$31,993	\$245,520
Reserves for Encumbrances, December 31					

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

**VILLAGE OF NEY
DEFIANCE COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$52,327
Miscellaneous	9,462
	61,789
Operating Cash Disbursements:	
Personal Services	6,325
Fringe Benefits	840
Contractual Services	8,133
Supplies and Materials	10,009
Miscellaneous	105
Capital Outlay	12,730
	38,142
Operating Income	23,647
Non-Operating Cash Receipts:	
Interest	2,306
Non-Operating Cash Disbursements:	
Debt Service - Principal	10,000
Debt Service - Interest	8,400
	18,400
Excess of Receipts Over Disbursements	7,553
Fund Cash Balances, January 1	118,329
Fund Cash Balances, December 31	\$125,882
Reserve for Encumbrances, December 31	

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

**VILLAGE OF NEY
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Ney, Defiance County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water utilities, park operations (leisure time activities), and police services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposits are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

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

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

**VILLAGE OF NEY
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

Permissive Motor Vehicle Tax Fund -This fund receives motor vehicle tax money for constructing, maintaining and repairing Village streets.

3. Capital Project 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 or trust funds). The Village had the following significant capital project fund:

Issue II Fund – This fund is to account for monies spent on behalf of the Village by the Defiance County Engineer's Office for street paving.

4. 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 and expends monies for principal payments for the retirement of outstanding indebtedness.

OWDA Water Tower Fund – This fund is to account for monies received and spent by the Village for construction of a water tower.

5. 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 Expendable Trust Fund:

Park Trust Fund – This fund receives interest earnings from the investment of the principle amount which was donated to the park several years ago.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

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

**VILLAGE OF NEY
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township 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:

	2002	2001
Cash on Hand	\$50	\$50
Demand deposits	271,830	191,352
Certificates of deposit	180,000	180,000
Total deposits and cash on hand	\$451,880	\$371,402

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$72,606	\$101,912	\$29,306
Special Revenue	28,805	26,974	(1,831)
Capital Projects	10,000	3,806	(6,194)
Enterprise	59,019	438,333	379,314
Expendable Trust	1,288	880	(408)
Total	\$171,718	\$571,905	\$400,187

**VILLAGE OF NEY
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$250,000	\$92,781	\$157,219
Special Revenue	47,000	22,332	24,668
Capital Projects	13,920	3,806	10,114
Enterprise	114,900	372,513	(257,613)
Total	<u>\$425,820</u>	<u>\$491,432</u>	<u>(\$65,612)</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$84,348	\$96,316	\$11,968
Special Revenue	28,400	28,880	480
Capital Projects		9,337	9,337
Enterprise	55,100	64,095	8,995
Expendable Trust	1,250	1,498	248
Total	<u>\$169,098</u>	<u>\$200,126</u>	<u>\$31,028</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$265,050	\$97,724	\$167,326
Special Revenue	46,150	25,347	20,803
Capital Projects		5,417	(5,417)
Enterprise	114,400	56,542	57,858
Total	<u>\$425,600</u>	<u>\$185,030</u>	<u>\$240,570</u>

Contrary to the requirements of § 5705.41 (B) of the Ohio Revised Code expenditures exceeded appropriations in the OWDA Water Tower Enterprise fund by \$316,546 in 2002 and expenditures exceeded appropriations in the Issue II Capital Projects fund by \$5,417 in 2001.

Contrary to the requirements of § 5705.40 of the Ohio Revised Code changes made to the Appropriations were not approved by Council in the OWDA Water Tower Fund and the Issue II Fund.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

**VILLAGE OF NEY
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

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

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

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
Mortgage Revenue Bonds	\$148,000	5%
OWDA Water Tower Loan	250,009	5.65%
OWDA Wastewater Planning Loan	3,920	
Total	\$401,929	

The Mortgage Revenue Bonds debt relates to the construction of a municipal waterworks system in 1974. The original bonded debt principal amount was \$293,000. Bond principal and interest payments are due annually on January 1. Repayment of the bonds will occur over thirty-eight years from 1977 through 2014. The Village has agreed to set water utility rates sufficient to cover the debt service requirements.

The Ohio Water Development Authority Water Tower Loan relates to the construction, maintenance, and operation of a water tower at Central Local School. The original loan authorized was \$250,009. As of December 31, 2002 the Village has drawn \$217,625, the rest is to be received in 2003. Loan principal and interest payments are due semi-annually on January 1 and July 1. Repayment of the loan will occur over thirty years from 2003 through 2033.

The Ohio Water Development Authority Wastewater Planning Loan relates to the financing of a future sewer project. The original loan authorized was \$9,800. As of December 31, 2002 the Village has drawn \$3,920. The Loan principal is to be repaid in 2003.

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

	Mortgage Revenue Bonds	OWDA Water Tower Loan	OWDA Wastewater Planning Loan
Year ending December 31:			
2003	\$18,400	\$17,395	\$3,920
2004	17,850	17,395	
2005	18,300	17,395	
2006	17,700	17,395	
2007	18,100	17,395	
Subsequent	105,250	434,881	
Total	\$195,600	\$521,856	\$3,920

**VILLAGE OF NEY
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

6. RETIREMENT SYSTEMS

The Village's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, OPERS members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

Risk Pool Membership

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

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

The Plan uses conventional insurance coverage's and reinsures these coverage's 100 percent rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Ney
Defiance County
230 E. Main Street, P.O. Box 237
Ney, Ohio 43549-0237

To the Village Council:

We have audited the accompanying financial statements of the Village of Ney, Defiance County, (the Village) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 27, 2003. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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 item 2002-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 27, 2003.

Internal Control over Financial Reporting

In planning and performing our audits, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 27, 2003.

Village of Ney
Defiance County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 27, 2003

VILLAGE OF NEY
DEFIANCE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001

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

FINDING NUMBER 2002- 001

Noncompliance Citation

Ohio Revised Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been lawfully appropriated. In addition, Ohio Revised Code § 5705.40 provides that appropriations measures may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation.

Actual expenditures exceeded appropriations in the following funds by the following amounts:

<u>Year</u>	<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Difference</u>
2002	OWDA Water Tower		\$316,546	(\$316,546)
2001	Issue II Fund		5,417	(5,417)

In addition, there was no evidence that certain changes made to the legally adopted budget were approved by Council. The legally adopted appropriations varied from the posted appropriations in the following funds:

<u>Year</u>	<u>Fund</u>	<u>Approved Appropriations</u>	<u>Expenditures</u>	<u>Difference</u>
2002	OWDA Water Tower		\$400,000	(\$400,000)
2001	Issue II Fund		10,000	(10,000)

We recommend that the Council amend the appropriations when they are notified that the Village will expend more funds than expected. We also recommend that the Clerk-Treasurer only post appropriation measures that are approved by Council.

**VILLAGE OF NEY
DEFIANCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2000-30120-001	Ohio Revised Code § 5705.41 (B) Expenditures exceeded appropriations.	No	Not corrected. Repeated as Finding number 2002-001.
2000-30120-002	Ohio Revised Code § 5705.42 Grant money was not posted.	Yes	Corrected.



**Auditor of State
Betty Montgomery**

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VILLAGE OF NEY

DEFIANCE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 1, 2003**