

**VILLAGE OF NEW MADISON**

DAYTON REGION, DARKE COUNTY

**REGULAR AUDIT**

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009





# Dave Yost • Auditor of State

Village Council  
Village of New Madison  
124 South Harrison Street  
New Madison, Ohio 45346

We have reviewed the *Independent Auditors' Report* of the Village of New Madison, Darke County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Madison is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

October 20, 2011

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**VILLAGE OF NEW MADISON  
DARKE COUNTY**

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# Manning & Associates

## Certified Public Accountants, LLC

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

### INDEPENDENT AUDITORS' REPORT

Mayor and Members of Council  
Village of New Madison  
124 South Harrison Street  
New Madison, Ohio 45346

We have audited the accompanying financial statements of the Village of New Madison, Darke County, Ohio, (the Village), as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2010 and 2009, or its changes in financial position or cash flows, for the years then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of New Madison, Darke County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2011, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Manning & Associates CPAs, LLC  
Dayton, Ohio

June 10, 2011



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**VILLAGE OF NEW MADISON  
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Fund Types</u>				<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$ 53,455	\$ 27,988	\$ 8,219	\$ 0	\$ 89,662
Municipal Income Tax	120,620	0	0	0	120,620
Intergovernmental Revenues	129,282	19,637	0	0	148,919
Special Assessments	0	5,316	0	0	5,316
Charges for Services	51,818	0	0	0	51,818
Fines, Licenses and Permits	725	0	0	0	725
Earnings on Investments	4,492	0	0	0	4,492
Miscellaneous	2,253	15,476	0	0	17,729
<b>Total Cash Receipts</b>	<u>362,645</u>	<u>68,417</u>	<u>8,219</u>	<u>0</u>	<u>439,281</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	\$ 29,657	\$ 50,176	\$ 0	\$ 0	\$ 79,833
Public Health Services	0	0	0	0	0
Leisure Time Activities	0	9,284	0	0	9,284
Community Environment	80,000	0	0	0	80,000
Basic Utility Services	57,660	0	0	0	57,660
Transportation	60,000	43,292	0	0	103,292
General Government	61,387	0	0	0	61,387
Debt Service					
Principal Payment	0	2,976	26,500	0	29,476
Interest and Fiscal Charges	0	374	107,811	0	108,185
<b>Total Cash Disbursements</b>	<u>288,704</u>	<u>106,102</u>	<u>134,311</u>	<u>0</u>	<u>529,117</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>73,941</u>	<u>(37,685)</u>	<u>(126,092)</u>	<u>0</u>	<u>(89,836)</u>
<b>Other Financing Sources/(Uses):</b>					
Transfers-In	0	746	186,287	0	187,033
transfers-Out	(746)	0	0	0	(746)
<b>Total Other Financing Receipts (Disbursements)</b>	<u>(746)</u>	<u>746</u>	<u>186,287</u>	<u>0</u>	<u>186,287</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	73,195	(36,939)	60,195	0	96,451
Fund Cash Balances, January 1,	<u>239,266</u>	<u>129,624</u>	<u>(5,802)</u>	<u>59,692</u>	<u>422,780</u>
<b>Fund Cash Balances, December 31,</b>	<u>\$ 312,461</u>	<u>\$ 92,685</u>	<u>\$ 54,393</u>	<u>\$ 59,692</u>	<u>\$ 519,231</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES -  
ALL PROPRIETARY AND SIMILAR FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<b>Proprietary Fund Types</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 439,241
Miscellaneous	10,637
	449,878
<b>Operating Cash Disbursements:</b>	
Personal Service	\$ 56,469
Employee Fringe Benefits	2,486
Contractual Services	20,214
Supplies and Materials	174,270
Total Operating Cash Disbursements	253,439
Operating Income/ (Loss)	196,439
<b>Non-Operating Cash Receipts/(Disbursements):</b>	
Redemption of Principal	(17,917)
Interest and Other Fiscal Charges	(73)
Total Non-Operating Cash Receipts/(Disbursements)	(17,990)
Excess of Revenues Over/(Under) Expenses before Interfund Transfers	178,449
Transfers-Out	(186,287)
Net Revenues Over/(Under) Expenses	(7,838)
Fund Cash Balances, January 1,	754,042
<b>Fund Cash Balances, December 31,</b>	<b>\$ 746,204</b>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Governmental Fund Types</u>				<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$ 53,475	\$ 76,372	\$ 0	\$ 0	\$ 129,847
Municipal Income Tax	119,509	0	0	0	119,509
Intergovernmental Revenues	62,167	31,103	0	0	93,270
Special Assessments	0	3,395	0	0	3,395
Charges for Services	50,828	0	0	0	50,828
Fines, Licenses and Permits	6	0	0	0	6
Earnings on Investments	4,370	264	0	0	4,634
Miscellaneous	3,311	17,047	0	0	20,358
<b>Total Cash Receipts</b>	<u>293,666</u>	<u>128,181</u>	<u>0</u>	<u>0</u>	<u>421,847</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	\$ 30,378	\$ 62,091	\$ 0	\$ 0	\$ 92,469
Public Health Services	0	0	0	0	0
Leisure Time Activities	4,253	0	0	0	4,253
Community Environment	60,859	0	0	0	60,859
Basic Utility Services	59,868	0	0	0	59,868
Transportation	42,759	34,736	0	0	77,495
General Government	22,151	0	0	0	22,151
Debt Service					
Principal Payment	14,119	1,898	0	0	16,017
Interest and Fiscal Charges	453	234	0	0	687
<b>Total Cash Disbursements</b>	<u>234,840</u>	<u>98,959</u>	<u>0</u>	<u>0</u>	<u>333,799</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>58,826</u>	<u>29,222</u>	<u>0</u>	<u>0</u>	<u>88,048</u>
<b>Other Financing Sources/(Uses):</b>					
Other Debt Proceeds	110	10,160	0	0	10,270
<b>Total Other Financing Receipts (Disbursements)</b>	<u>110</u>	<u>10,160</u>	<u>0</u>	<u>0</u>	<u>10,270</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	58,936	39,382	0	0	98,318
Fund Cash Balances, January 1,	<u>180,330</u>	<u>90,242</u>	<u>(5,802)</u>	<u>59,692</u>	<u>324,462</u>
<b>Fund Cash Balances, December 31,</b>	<u>\$ 239,266</u>	<u>\$ 129,624</u>	<u>\$ (5,802)</u>	<u>\$ 59,692</u>	<u>\$ 422,780</u>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES -  
ALL PROPRIETARY AND SIMILAR FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<b>Proprietary Fund Types</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 477,432
Miscellaneous	7,462
	484,894
<b>Operating Cash Disbursements:</b>	
Personal Service	\$ 56,648
Employee Fringe Benefits	0
Supplies and Materials	158,498
Total Operating Cash Disbursements	215,146
Operating Income/ (Loss)	269,748
<b>Non-Operating Cash Receipts/(Disbursements):</b>	
Redemption of Principal	(60,843)
Interest and Other Fiscal Charges	(109,450)
Total Non-Operating Cash Receipts/(Disbursements)	(170,293)
Net Revenues Over/(Under) Expenses	99,455
Fund Cash Balances, January 1,	654,587
<b>Fund Cash Balances, December 31,</b>	<b>\$ 754,042</b>

The Notes to the Financial Statements are an integral part of this statement.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of New Madison, Darke County, (the Village) as a body corporate and politic. A publicly elected six-member Council governs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with New Madison Fire Department Association for fire protection services and with Tri-Village Ambulance District for emergency 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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 adequately disclose material matters the Auditor of State prescribes.

**C. Cash and Investments**

The Village's accounting basis includes investments as assets. This basis does not report disbursements for investment purchases or receipts for investment sales. The village report gains and losses at the time of sale as receipts or disbursements, respectively. The Village values certificates of deposit at cost.

**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:

**General Fund:**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Fund Accounting** (continued)

**Special Revenue Funds:**

These funds 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.

**Road Construction Levy Fund** – This fund receives proceeds from a Village property tax levied for improving Village streets and alleys.

**Fire Levy Fund** – This fund receives levy monies and provides fire protection services to Village residents.

**Police Levy Fund** – This fund receives levy monies to provide for the operation of the Village police department.

**Debt Service Fund**

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant debt service fund:

**Bond Retirement Fund** – This fund is used to retire the principal and interest of Village loan and note debt issues.

**Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

**Wastewater Bond Construction Fund** – This was established to account for the construction of the Village sewer system and plant.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Fund Accounting** (continued)

**Enterprise Funds**

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services 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 water service.

**Sewer Operating Fund** – This fund receives charges for services from residents to cover sewer service costs.

**E. Budgetary Process**

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

**Appropriations**

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

**Estimated Resources**

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

**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 2010 and 2009 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not reflect these items as assets.



**VILLAGE OF NEW MADISON  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2010</u>	<u>2009</u>
Demand Deposits	\$ 1,175,208	\$ 1,087,602
Certificates of Deposit	<u>90,227</u>	<u>89,220</u>
Total deposits and Investments	<u>\$ 1,265,435</u>	<u>\$ 1,176,822</u>

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

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

**3. BUDGETARY ACTIVITY**

**Budgetary activity for the year ending December 31, 2010 was as follows:**

**2010 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 358,864	\$ 362,645	\$ 3,781
Special Revenue	65,953	69,163	3,210
Debt Service	203,000	194,506	(8,494)
Capital Projects	80,000	0	(80,000)
Enterprise Funds	281,200	449,878	168,678
Total	<u>\$ 989,017</u>	<u>\$ 1,076,192</u>	<u>\$ 87,175</u>

**2010 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 510,501	\$ 289,450	\$ 221,051
Special Revenue	166,848	106,102	60,746
Debt Service	139,693	134,311	5,382
Capital Projects	0	0	0
Enterprise Funds	1,045,793	457,716	588,077
Total	<u>\$ 1,862,835</u>	<u>\$ 987,579</u>	<u>\$ 875,256</u>

**Budgetary activity for the year ending December 31, 2009 was as follows:**

**2009 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 264,685	\$ 293,776	\$ 29,091
Special Revenue	202,945	138,341	(64,604)
Debt Service	203,000	0	(203,000)
Capital Projects	80,000	0	(80,000)
Enterprise Funds	292,900	484,894	191,994
Total	<u>\$ 1,043,530</u>	<u>\$ 917,011</u>	<u>\$ (126,519)</u>

**2009 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 429,915	\$ 234,840	\$ 195,075
Special Revenue	200,046	98,959	101,087
Debt Service	107,575	0	107,575
Capital Projects	114,740	0	114,740
Enterprise Funds	925,260	385,439	539,821
Total	<u>\$ 1,777,536</u>	<u>\$ 719,238</u>	<u>\$ 1,058,298</u>

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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**3. BUDGETARY** (Continued)

**Ohio Rev. Code Section 5705.36** requires all subdivision to request reduced amended certificates upon determination that revenue will be less than the official certificate of estimated resources. Contrary to Ohio Law, estimated resources exceeded actual receipts in 2010 in the Street Construction, Road Construction, and Meter funds by \$7,494, \$213, and \$5,500, respectively; and in 2009 in the Road Construction, FEMA, Debt Service, Capital Projects, and Meter funds by \$1,056, \$26,000, \$203,000, \$80,000, and \$5,400, respectively.

**Ohio Rev. Code Section 5705.39** states the total appropriation from each fund shall not exceed the total of the estimated revenue available for expenditure there from. Contrary to Ohio Law, appropriations exceeded estimated resources available in 2010 in the Street Construction, Road Construction, Water Operating, and Storm Sewer funds by \$4,551, \$4,942, \$50,718, and \$10,981, respectively; and in 2009 in the Storm Sewer fund by \$22,959.

**Ohio Rev. Code Section 5705.41(B)**, states no subdivision can expend money unless appropriated. Contrary to Ohio Law, the Village expenditures exceeded appropriations in 2010 in the Parks and Recreation and Fire Levy funds by \$9,284 and \$7,808, respectively.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 proceeding the October 1 date for which the Village Council adopts tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village. Property owners assess tangible personal property tax. They must file a list of tangible property to the County 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, 2010 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Sewer Unlimited Tax General Obligation Bonds	\$ 418,500	4.75%
Sewer System Mortgage Revenue Refunding Bonds	1,824,700	4.75%
Wastewater Treatment improvement OPWC Loan	325,000	0.00%
Farmers State Bank – Police Cruiser	5,286	5.00%
Total	<u>\$2,573,486</u>	

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**5. DEBT (Continued)**

The principal amount of the Village's unlimited tax general obligation bonds outstanding at December 31, of \$418,500, is being retired with property tax money levied against the village property owners.

The principal amount of the Village's mortgage revenue refunding bonds outstanding at December 31, 2010, of \$1,824,700, is being retired with the charges for services collected through the Village's residents.

The Wastewater Treatment Improvement OPWC loan was provided by the State to assist in the cost of the Village's sewer system construction. The outstanding balance at December 31, 2010 was \$325,000 and will be retired with semi annual payments of \$12,500 ending July 1, 2023.

The Farmers State Bank loan was used to purchase a police cruiser. Initial loan amount was \$10,160 and is being retired with monthly loan payments of \$305 with final payment due in June 2012.

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

<b>Year Ending December 31</b>	<b>Sewer General Obligation Bonds</b>		<b>General Obligation Bonds</b>		<b>OPWC Loan</b>	<b>Farmers State Bank Police Cruiser</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Principal</b>	<b>Interest</b>
2011	5,100	19,879	22,600	86,674	37,500	3,481	173
2012	5,400	19,690	23,600	85,835	25,000	1,805	22
2013	5,700	19,380	24,700	84,479	25,000	0	0
2014	6,000	19,109	26,000	83,305	25,000	0	0
2015	6,200	18,824	27,100	82,071	25,000	0	0
2016-2020	35,900	89,502	156,300	390,183	125,000	0	0
2021-2025	45,200	80,075	197,200	349,117	62,500	0	0
2026-2030	57,000	68,266	248,700	297,599	0	0	0
2031-2035	71,900	53,364	313,500	232,634	0	0	0
2036-2040	90,700	34,589	395,400	150,778	0	0	0
2041-2045	89,400	10,857	389,600	47,348	0	0	0
<b>Total</b>	<b>418,500</b>	<b>433,535</b>	<b>1,824,700</b>	<b>1,890,023</b>	<b>325,000</b>	<b>5,286</b>	<b>195</b>

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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**6. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2010 and 2009, the Village contracted with Westfield Insurance Company for various types of insurance coverage as follows:

General Aggregate Limit	\$3,000,000
Personal and Advertising Limit	1,000,000
Auto Liability, per incident	1,000,000
Uninsured/Underinsured Motorist	1,000,000
Damages to Rented Premises	1,000,000
Building Coverage Limit	2,750,610
Contractors Equipment Limit	102,162

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

**7. RETIREMENT SYSTEMS**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10 percent of their gross salaries and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2010.

**8. CONTINGENCY**

The Village is a defendant in a lawsuit. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not have a material adverse affect on the Village's financial condition.

**9. LOCAL INCOME TAX**

This locally levied tax of 1.0 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 in the Village. Tax receipts are credited to the Village and amounted to \$120,620 in 2010 and \$119,509 in 2009.

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**Manning & Associates**  
**Certified Public Accountants, LLC**

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Village of New Madison  
Darke County  
124 South Harrison Street  
New Madison, Ohio 45346

To the Mayor and Village Council:

We have audited the financial statements of the Village of New Madison, Darke County, Ohio (the Village), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 10, 2011, wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we considered material weaknesses and another deficiency we consider to be a significant deficiency.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect, and timely correct misstatements. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected, and timely corrected. We consider findings 2010-004 through 2010-006 described in the accompanying schedule of findings to be material weaknesses.

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A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2010-008 described in the accompanying schedule of findings to be a significant deficiency.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-001 through 2010-003 and 2010-007 through 2010-008.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 10, 2011.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management and Village Council. We intend it for no one other than these specified parties.

Manning & Associates CPAs, LLC  
Dayton, Ohio

June 10, 2011



**VILLAGE OF NEW MADISON  
DARKE COUNTY**

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2010-001**

**Noncompliance**

**Ohio Rev. Code Section 5705.41 (D)** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41 (D) (1) and 5705.41 (D) (3), respectively, of the Ohio Revised Code.

1. **"Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval or expenditures by the Village.
2. **Blanket certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super blanket certificate** – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

---

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2010-001 (Continued)**

Unless the exception noted above is used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

In 2010 and 2009, expenditures were certified with a "Super Blanket." However, in both 2010 and 2009, not all expenses certified with a "Super Blanket" met the criteria for being specific and reasonably predictable operating expenses.

"Super Blanket" Certificate can only be used for expenditures and contracts from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense.

The Village also issued these "Super Blanket" certificates after the incurrence of an expense, in which case a "Then and Now," would apply, for 16 percent and 10 percent of expenditures tested in 2010 and 2009, respectively.

We recommend the Village certify purchases to which section 5705.41 (D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41 (D) required to authorize disbursements. The fiscal officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41 (D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Also, the Village has not established a policy setting the maximum amount that may be encumbered on a blanket purchase order that does not follow the Ohio Revised Code requirements. The Village should create a policy that establishes the maximum amount that may be encumbered on a blanket certificate to comply with this section of code.

Response: The Village will review purchase order procedures.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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

**FINDING NUMBER 2010-002**

**Noncompliance**

**Ohio Rev. Code Section 5705.41 (B)** states that no subdivision or taxing unit shall expend money unless it has been appropriated. During 2010, the Village had instances where budgetary expenditures exceeded the amounts appropriated at the legal level of control:

<u>Fund</u>	<u>Appropriation</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
<b>2010</b>			
Fire Levy	\$ 16,809	\$ 24,617	\$ (7,808)
Parks & Recreation	0	9,284	(9,284)

The Village should monitor appropriations and expenditures throughout the year, making amendments to appropriations as needed to comply with the requirement that expenditures cannot exceed the amounts appropriated at the legal level of control. Implementing these procedures will also reduce the risk that the Village expends or certifies as available more resources than were legally appropriated by Village Council.

Response: The Village will monitor budgetary compliance more closely in the future.

**FINDING NUMBER 2010-003**

**Noncompliance**

**Ohio Rev. Code Section 5705.39** states that the total appropriations from each fund shall not exceed the total estimated revenue available for expenditure there from, as certified by the budget commission. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. The following funds had appropriations in excess of the amounts certified as available by the Amended Certificate of Estimated Resources:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
<b>2010</b>			
Street Construction	\$ 64,139	\$ 68,690	\$ (4,551)
Road Construction	33,885	38,827	(4,942)
Water Operating	239,183	289,901	(50,718)
Storm Sewer	7,246	18,227	(10,981)
<b>2009</b>			
Storm Sewer	\$ 0	\$ 22,959	\$ (22,959)

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2010-003** (Continued)

To comply with this section and improve budgetary controls the Village should file their appropriation measures with the county budget commission for certification that the amounts appropriated do not exceed the available resources. In addition, the Certificate of Estimated Resources should be amended on a timely basis to reflect changes in actual or expected revenue and the corresponding appropriations should be amended accordingly.

Response: The Village will monitor budgetary compliance more closely in the future.

**FINDING NUMBER 2010-004**

**Material Weakness**

**Village Books and Records**

**Ohio Admin Code Section 117-2** provides that the Fiscal Officer shall keep the books of the Village; exhibit accurate statements of all monies received and expended, and maintain records of all property owned by the Village and income derived.

In addition, Ohio Admin Code Section 117-2-02(A) states that all public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets and liabilities, document compliance with finance relate legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the administrative code. The following was items were noted:

- Income Tax Receipts are not properly maintained and monitored. Only the submitted returns were being reviewed to ensure proper remittance, but no information was recorded to the Income Tax software and no system appeared to be in place for maintaining ongoing filings.
- Reclassification of debt payments were improperly recorded and required adjustments. .
- Improper handling/recording of checks.
  - Checks voided in the UAN accounting system were observed clearing on the bank statements.
  - Disbursements were entered into the UAN accounting system as an electronic funds transaction, only to be observed clearing the bank as a physical check.
- Receipts were not always recorded at gross.
- The Village's estimated receipts and appropriations reported on the annual report did not match the amounts filed with the County Auditor in 2010 and 2009

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

---

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2010-004 (Continued)**

Sound financial reporting is the responsibility of the Fiscal Officer and Members of Council and is essential to ensuring the information provided to the readers of the financial statements is complete and accurate. All of these conditions reveal a lack of control over and monitoring of the recording and reporting of the Village's financial activity and resulted in inaccurate accounting records. These financial statements have been adjusted to reflect the above.

Response: The Village had two Fiscal Officers during the audit period, in which some items were inaccurately recorded. The current Fiscal Officer has implemented procedures to correct these items.

**FINDING NUMBER 2010-005**

**Material Weakness**

**Monitoring of Financial Activity**

To assist in the management of financial resources, a governing body should periodically review and approve financial statements. In addition, to help assure accountability over recorded activity, and deposit and investment balances, the governing body should review and approve monthly bank-to-book reconciliations and bank statements. The Village's Council did not receive all the financial reports and/or reconciliations during 2010 and 2009.

It is vital that Council provides an oversight function in an entity that lacks segregation of duties as all accounting functions are controlled by one individual, the Fiscal Officer. The failure of the Village's governing bodies to monitor the financial activity of the Village could result in financial objectives not being achieved; the violation of Ohio Rev. Code laws, Village Ordinances, grant requirements, or debt covenants; or errors and/or irregularities occurring and not being detected in a timely manner.

The Village should implement monitoring procedures that requires the monthly review of financial reports such as budget versus actual revenue and expenditure reports and fund balance reports, along with the review monthly bank to book reconciliations and bank statements. Evidence of the review and approval of financial reports should be indicated by signatures or initials on the documents reviewed and a mention in the minutes.

Response: Village Council understands the importance of the monitoring procedure and will be more active and initial the review process.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2010-006**

**Material Weakness**

**Monthly Bank-to-Book Reconciliations**

Deficiencies were noted in the Village's completion of monthly bank-to-book reconciliations. Monthly bank-to-book reconciliations should be prepared, and all accounts belonging to the Village should be included on the monthly reconciliation. The following deficiencies were noted in monthly bank-to-book reconciliations which resulted in inaccurate fund balances and incorrect amounts in the appropriations and receipts ledgers.

The Village's cash fund balances did not agree to the monthly bank-to-book reconciliations for the period under audit; bank reconciliations included other adjusting factors throughout the audit period for unrecorded transactions, and unknown items with no supporting substantiation requiring adjustment at December 31 2010 and 2009 in the amount of \$81,895 and \$213,996, respectively. There was no indication that the Council reviewed bank-to-book reconciliations.

Risks associated with these conditions include the possibility of loss of revenue; missing or duplicate posting of cash receipts and disbursements; and reconciliation errors that could go undetected. To strengthen internal accounting controls, reduce errors in recording transactions, and to provide management with reasonable assurance that cash reconciliation procedures are in place, the following control should be implemented:

The monthly bank-to-book reconciliations should be reviewed by the Council, along with a list of outstanding checks, and the reconciled bank balance should be compared to the cashbook balance to ensure the amounts correspond. The balance of the cashbook should be reviewed to ensure that all active and invested money under the control of the Council is included. The Council should date and initial the monthly reconciliation as documentation of their review.

Response: All future transactions will be recorded in the proper period.

**FINDING NUMBER 2010-007**

**Noncompliance**

**Ohio Rev. Code, Section 5705.36**, requires all subdivisions to request reduced amended certificates upon determination by the Fiscal Officer that revenue to be collected will be less than the amount in the official certificate of estimated resources. The intent of this requirement is to require the Fiscal Officer to obtain a reduced amended certificate when it appears that budgetary resources will fall short of earlier estimates, reducing the possibility that deficit spending will occur.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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

**FINDING NUMBER 2010-007, continued**

Actual receipts for both years of the audit period were below estimated receipts in the following funds:

Fund	Estimated Receipts	Actual Receipts	Variance
<b>2010</b>			
Street Construction	\$ 26,000	\$ 18,506	\$ (7,494)
Road Construction	308	95	(213)
Meter	5,500	0	(5,500)
<b>2009</b>			
Road Construction	10,920	9,864	(1,056)
FEMA	26,000	0	(26,000)
Debt Service	203,000	0	(203,000)
Capital Projects	80,000	0	(80,000)
Meter	5,500	100	(5,400)

Failure to properly monitor estimated resources could result in overspending of monies and cause the Village to have negative fund balances. We recommend that the Village monitor its actual receipts throughout the year, enter estimated receipts into the general ledger, and prepare amended official certificates of estimated resources as necessary.

Response: The Village will monitor budgetary more closely in the future.

**FINDING NUMBER 2010-008**

**Significant Deficiency**

**Ohio Rev. Code Section 9.38** states that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the receipt. If the amount of the daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, if properly secured, but the deposit must be made no later than 3 business days after being received.

To reduce the risk of misappropriation of Village assets and to comply with the abovementioned section of code, all cash collections should be deposited within the 24 hour requirement or a policy be adopted by the Village that permits officials to hold any money under the \$1,000 threshold for no more than 3 business days, if properly secured. Additionally, procedures should be implemented to provide that the Fiscal Officer deposit all receipts to the bank in a timely and complete manner.

**VILLAGE OF NEW MADISON  
DARKE COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

---

<p><b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b></p>
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**FINDING NUMBER 2010-008, continued**

General receipts were not found to have been deposited in a timely manner. Of the manual checks reviewed, 28 percent and 41 percent for 2010 and 2009, respectively, were noted as being deposited 7 days or more after the issue date on the check.

Response: The Village will review current procedures and make any necessary changes.



**VILLAGE OF NEW MADISON  
DARKE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; <b>Explain</b>
2008-001	Ohio Rev. Code Sec. 5705.41(D) - Purchases were not all certified prior to the incurrence of the expense	No	Reissued as Finding Number 2010-001
2008-002	Ohio Rev. Code Sec. 5705.41 (B) - Failure to properly monitor appropriations	No	Reissued as Finding Number 2010-002
2008-003	Ohio Rev. Code Sec. 5705.39 - Failure to properly monitor estimated resources	No	Reissued as Finding Number 2010-003
2008-004	Ohio Rev. Code Sec. 1173.38 - Failure to file a financial report with the Auditor of State within 60 days	Yes	
2008-005	Monthly bank to book reconciliations	No	Reissued as Finding Number 2010-006
2008-006	Ohio Admin Code Sec. 117-020(A) - Failure to properly record the Village's transactions and maintain records	No	Reissued as Finding Number 2010-004
2008-007	Periodic review and approval of the financial statements by the governing body	No	Reissued as Finding Number 2010-005
2008-008	Utilizing the Uniform Accounting Network System	Yes	
2008-009	Ohio Rev. Code Sec. 5705.36 - Estimated receipts exceeding actual receipts	No	Reissued as Finding Number 2010-007
2008-010	Ohio Rev. Code Sec. 5705.10 - Money paid into a fund must be used only for the purpose for which such fund has been established.	Partially	Included in Management Letter

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# Dave Yost • Auditor of State

VILLAGE OF NEW MADISON

DARKE 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 22, 2011