



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF NEWTOWN
HAMILTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Agency Fund – For the Year Ended December 31, 2001	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Agency Fund – For the Year Ended December 31, 2000.	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Schedule of Findings	15

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Newtown
Hamilton County
3536 Church Street
Newtown, Ohio 45244

To the Village Council:

We have audited the accompanying financial statements of the Village of Newtown, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2002 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

June 19, 2002

**VILLAGE OF NEWTOWN
HAMILTON COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:					
Property Tax and Other Local Taxes	\$1,172,130	\$324,149	\$0	\$0	\$1,496,279
Intergovernmental Receipts	377,535	142,586		255,004	775,125
Charges for Services	287	16,643			16,930
Fines, Licenses, and Permits	39,283	9,676			48,959
Earnings on Investments	87,724	5,195			92,919
Miscellaneous	96,829	7,687			104,516
	<u>1,773,788</u>	<u>505,936</u>	<u>0</u>	<u>255,004</u>	<u>2,534,728</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	456,121	399,944			856,065
Public Health Services		9,304			9,304
Leisure Time Activities		30,058			30,058
Basic Utility Services	79,121				79,121
Transportation	131,456	67,992			199,448
General Government	285,760	3,797			289,557
Debt Service:					
Principal Payments			88,486		88,486
Interest Payments			4,433		4,433
Capital Outlay	3,591	49,610		580,123	633,324
	<u>956,049</u>	<u>560,705</u>	<u>92,919</u>	<u>580,123</u>	<u>2,189,796</u>
Total Cash Disbursements	<u>956,049</u>	<u>560,705</u>	<u>92,919</u>	<u>580,123</u>	<u>2,189,796</u>
Total Receipts Over/(Under) Disbursements	<u>817,739</u>	<u>(54,769)</u>	<u>(92,919)</u>	<u>(325,119)</u>	<u>344,932</u>
Other Financing Receipts and (Disbursements):					
Sale of Fixed Assets	31,157				31,157
Transfers-In	482,659	19,165	251,947	526,169	1,279,940
Advances-In		14,285			14,285
Transfers-Out	(797,280)	(482,660)			(1,279,940)
Advances-Out	(14,285)				(14,285)
	<u>(297,749)</u>	<u>(449,210)</u>	<u>251,947</u>	<u>526,169</u>	<u>31,157</u>
Total Other Financing Receipts/(Disbursements)	<u>(297,749)</u>	<u>(449,210)</u>	<u>251,947</u>	<u>526,169</u>	<u>31,157</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	519,990	(503,979)	159,028	201,050	376,089
Fund Cash Balances, January 1	83,291	825,866	103,136	1,040,831	2,053,124
Fund Cash Balances, December 31	<u>\$603,281</u>	<u>\$321,887</u>	<u>\$262,164</u>	<u>\$1,241,881</u>	<u>\$2,429,213</u>
Reserves for Encumbrances, December 31	<u>\$2,842</u>	<u>\$29,161</u>	<u>\$0</u>	<u>\$86,993</u>	<u>\$118,996</u>

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

VILLAGE OF NEWTOWN
HAMILTON COUNTY

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

Non-Operating Cash Receipts:	
Other Non-Operating Receipts	<u>\$55,926</u>
Total Non-Operating Cash Receipts	<u>55,926</u>
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	<u>55,514</u>
Total Non-Operating Cash Disbursements	<u>55,514</u>
Net Receipts Over Disbursements	412
Fund Cash Balances, January 1	<u>4,631</u>
Fund Cash Balances, December 31	<u><u>\$5,043</u></u>

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

**VILLAGE OF NEWTOWN
HAMILTON COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:					
Property Tax and Other Local Taxes	\$167,129	\$1,329,190	\$0	\$0	\$1,496,319
Intergovernmental Receipts	122,013	117,339		22,137	261,489
Charges for Services	330	22,682			23,012
Fines, Licenses, and Permits	56,486	13,445			69,931
Earnings on Investments	93,298	6,613	2,106		102,017
Miscellaneous	27,723	12,414			40,137
	<u>466,979</u>	<u>1,501,683</u>	<u>2,106</u>	<u>22,137</u>	<u>1,992,905</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	414,928	266,016			680,944
Public Health Services		13,707			13,707
Leisure Time Activities		38,711			38,711
Basic Utility Services	84,111				84,111
Transportation	127,717	40,754			168,471
General Government	241,684	39,099			280,783
Debt Service:					
Principal Payments			84,264		84,264
Interest Payments			8,655		8,655
Capital Outlay		91,403		300,047	391,450
	<u>868,440</u>	<u>489,690</u>	<u>92,919</u>	<u>300,047</u>	<u>1,751,096</u>
Total Receipts Over/(Under) Disbursements	<u>(401,461)</u>	<u>1,011,993</u>	<u>(90,813)</u>	<u>(277,910)</u>	<u>241,809</u>
Other Financing Receipts and (Disbursements):					
Transfers-In	515,878	36,915	8,082	404,225	965,100
Transfers-Out	(449,214)	(515,886)			(965,100)
	<u>66,664</u>	<u>(478,971)</u>	<u>8,082</u>	<u>404,225</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements					
	(334,797)	533,022	(82,731)	126,315	241,809
Fund Cash Balances, January 1	418,088	292,844	185,867	914,516	1,811,315
Fund Cash Balances, December 31	<u>\$83,291</u>	<u>\$825,866</u>	<u>\$103,136</u>	<u>\$1,040,831</u>	<u>\$2,053,124</u>
Reserves for Encumbrances, December 31	<u>\$10,476</u>	<u>\$6,654</u>	<u>\$0</u>	<u>\$25,279</u>	<u>\$42,409</u>

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

VILLAGE OF NEWTOWN
HAMILTON COUNTY

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

Non-Operating Cash Receipts:	
Other Non-Operating Receipts	<u>\$76,527</u>
Total Non-Operating Cash Receipts	<u>76,527</u>
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	<u>72,024</u>
Total Non-Operating Cash Disbursements	<u>72,024</u>
Net Receipts Over Disbursements	4,503
Fund Cash Balances, January 1	<u>128</u>
Fund Cash Balances, December 31	<u><u>\$4,631</u></u>

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

**VILLAGE OF NEWTOWN
HAMILTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Newtown, Hamilton County, Ohio (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, park operations (leisure time activities) and police and fire 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

Investments are included in fund cash balances. 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.

Money market mutual funds (including STAR Ohio) and federal securities are recorded at share values reported by the mutual fund.

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 for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant special revenue Fund:

Fire Fund – This fund receives real estate and personal property tax revenue and Homestead Rollback monies for providing fire protection services.

**VILLAGE OF NEWTOWN
HAMILTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Fund

This fund is used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following debt service fund:

Debt Service Fund – This fund received bond proceeds to pay for the Village’s lease-purchase agreement for the purchase of fire truck.

4. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Village had the following significant capital projects funds:

Church Street Grant Construction Fund - This fund receives proceeds from the Ohio Public Works Commission and Cincinnati Water Works. The proceeds are used to improve Church Street.

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

2. Estimated Resources

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

3. Encumbrances

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

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

F. Property, Plant and Equipment

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

**VILLAGE OF NEWTOWN
HAMILTON COUNTY**

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

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. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investment 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:

	2001	2000
Demand deposits	\$566,582	\$274,753
Investments:		
US Treasury Money Market Fund	8,092	20,322
Federal Securities	691,981	645,303
US Treasury Mutual Fund	580,733	553,860
STAR Ohio	<u>586,868</u>	<u>563,517</u>
Total investments	<u>1,867,674</u>	<u>1,783,002</u>
Total deposits and investments	<u>\$2,434,256</u>	<u>\$2,057,755</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.

Investments: Federal Securities and the U.S. Treasury Mutual Fund are held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

During 2001 and 2000, the Village held repurchase agreements collateralized by securities held by the fiscal agent, but not in the Village's name. At December 31, 2001 and 2000, the Village held no repurchase agreements. The Village's agent held securities collateralizing repurchase agreements.

**VILLAGE OF NEWTOWN
HAMILTON COUNTY**

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

3. BUDGETARY ACTIVITY

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

Fund Type	2001 Budgeted vs. Actual Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$3,836,881	\$2,287,604	(\$1,549,277)
Special Revenue	473,525	525,101	51,576
Debt Service	240,001	251,947	11,946
Capital Projects	<u>2,236,559</u>	<u>781,173</u>	<u>(1,455,386)</u>
Total	<u>\$6,786,966</u>	<u>\$3,845,825</u>	<u>(\$2,941,141)</u>

Fund Type	2001 Budgeted vs. Actual Budgetary Basis Expenditures		Variance
	Appropriation Authority	Budgetary Expenditures	
General	\$3,265,138	\$1,756,171	\$1,508,967
Special Revenue	754,930	1,072,526	(317,596)
Debt Service	342,919	92,919	250,000
Capital Projects	<u>3,196,706</u>	<u>667,116</u>	<u>2,529,590</u>
Total	<u>\$7,559,693</u>	<u>\$3,588,732</u>	<u>\$3,970,961</u>

Fund Type	2000 Budgeted vs. Actual Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$1,399,500	\$ 982,857	\$(416,643)
Special Revenue	1,534,039	1,538,598	4,559
Debt Service	5,000	10,188	5,188
Capital Projects	<u>457,158</u>	<u>426,362</u>	<u>(30,796)</u>
Total	<u>\$3,395,697</u>	<u>\$2,958,005</u>	<u>\$(437,692)</u>

Fund Type	2000 Budgeted vs. Actual Budgetary Basis Expenditures		Variance
	Appropriation Authority	Budgetary Expenditures	
General	\$1,733,440	\$1,328,130	\$405,310
Special Revenue	1,758,708	1,012,230	746,478
Debt Service	101,001	92,919	8,082
Capital Projects	696,706	325,326	371,380
Total	<u>\$4,289,855</u>	<u>\$2,758,605</u>	<u>\$1,531,250</u>

**VILLAGE OF NEWTOWN
HAMILTON COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Income Tax Fund and the Drug Education Fund by \$482,659 and \$10,735, respectively, for the year ended December 31, 2001. Budgetary expenditures exceeded appropriation authority in the Church Street Grant Construction Fund by \$30,080 for the year ended December 31, 2000.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

5. LOCAL INCOME TAX

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency or business activities within the Village as well as certain income of residents earned outside the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

The Village contracts with the Regional Income Tax Agency (RITA) to collect income taxes on behalf of the Village. RITA charges a flat rate of three percent of gross receipts collected.

6. DEBT

In 1996, a lease purchase agreement was entered into for the purchase of a Village fire truck. Principal and interest payments are made annually. The lease was paid off in 2001.

7. RETIREMENT SYSTEMS

The Village's law enforcement officers and firefighters belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**VILLAGE OF NEWTOWN
HAMILTON COUNTY**

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

7. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant and 24% of fire participant wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of PERS participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.

8. RISK MANAGEMENT

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

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage, 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 and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

9. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

10. CONSTRUCTION COMMITMENTS

As of December 31, 2001, the Village had the following commitments with respect to capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Town Hall Renovations	\$41,950	2002
Road Improvement Project	2,372,000	2003

The Village will pay for the Road Improvement Project with monies received from the Ohio Public Works Commission and the Cincinnati Water Works. The Village's required local share is \$339,000.



STATE OF OHIO
OFFICE OF THE AUDITOR

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

Village of Newtown
Hamilton County
3536 Church Street
Newtown, Ohio 45244

To the Village Council:

We have audited the accompanying financial statements of the Village of Newtown, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 19, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-30431-001.

We also noted an immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated June 19, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 June 19, 2002.

Village of Newtown
Hamilton County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long, sweeping underline.

Jim Petro
Auditor of State

June 19, 2002

**VILLAGE OF NEWTOWN
HAMILTON COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-30431-001

Noncompliance Citation

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

At December 31, 2001, the following funds had expenditures that exceeded appropriations:

Fund	Total Appropriations	Total Expenditures	Variance
Income Tax	\$0	\$482,659	(\$482,659)
Drug Education	1,250	11,985	(10,735)

At December 31, 2000, the following fund had expenditures that exceeded appropriations:

Fund	Total Appropriations	Total Expenditures	Variance
Church Street Grant Construction Fund	\$0	\$30,080	(\$30,080)

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

We also reported this matter in our audit of the 1999 financial statements.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF NEWTOWN

HAMILTON 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 16, 2002**