

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

*Financial Statements
(Audited)*

For The Years Ended
December 31, 2002 and 2001

GERTRUDE DURNWALD, CLERK/TREASURER



**Auditor of State
Betty Montgomery**

Members of Council and Mayor
Village of New Washington
New Washington, Ohio

We have reviewed the Independent Auditor's Report of the Village of New Washington, Crawford County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2001 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of New Washington is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

June 10, 2003

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

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TRIMBLE, JULIAN & GRUBE, INC.

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the Village of New Washington, Crawford County, Ohio as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Village of New Washington's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 2, the Village of New Washington prepares its financial statements on the basis of accounting prescribed or permitted by Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of the Village of New Washington, as of December 31, 2002 and 2001, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 21, 2003, on our consideration of the Village of New Washington's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations 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 Village of New Washington's management and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.
March 21, 2003

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

COMBINED STATEMENT OF CASH FUND BALANCES -
ALL FUND TYPES
DECEMBER 31, 2002 AND 2001

<u>Cash and Cash Equivalents</u>	<u>2002</u>	<u>2001</u>
Cash and Cash Equivalents	<u>\$ 563,854</u>	<u>\$ 397,581</u>
Total Cash and Cash Equivalents	<u><u>\$ 563,854</u></u>	<u><u>\$ 397,581</u></u>
<u>Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 134,692	\$ 43,355
Special Revenue Funds	82,853	61,922
Debt Service Fund	<u>67,086</u>	<u>64,257</u>
Total Governmental Fund Types	<u>284,631</u>	<u>169,534</u>
<u>Proprietary Fund Type:</u>		
Enterprise Funds	<u>268,956</u>	<u>212,547</u>
<u>Fiduciary Fund Types:</u>		
Expendable Trust Fund	-	5,000
Nonexpendable Trust Fund	<u>10,267</u>	<u>10,500</u>
Total Fiduciary Fund Types	<u>10,267</u>	<u>15,500</u>
Total Fund Balances	<u><u>\$ 563,854</u></u>	<u><u>\$ 397,581</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

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

	Governmental Fund Types			Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust	
Cash receipts:					
Property and other local taxes	\$ 265,698	\$ 28,951	\$ 26,205	\$ -	\$ 320,854
Intergovernmental	235,824	41,328	2,860	-	280,012
Charges for services	338	-	-	-	338
Fines, licenses, and permits	258	28,450	-	-	28,708
Interest	4,393	2,371	-	-	6,764
Miscellaneous	16,830	288	-	-	17,118
Total cash receipts	<u>523,341</u>	<u>101,388</u>	<u>29,065</u>	<u>-</u>	<u>653,794</u>
Cash disbursements:					
Current:					
Security of persons and property	160,609	24,655	-	-	185,264
Public health services	1,371	-	-	-	1,371
Leisure time activities	69,847	-	-	5,000	74,847
Community environment	728	-	-	-	728
Transportation	11,080	74,806	-	-	85,886
General government	124,464	-	-	-	124,464
Capital outlay	7,605	-	-	-	7,605
Debt service:					
Principal retirement	-	16,080	20,000	-	36,080
Interest charges	-	3,916	6,236	-	10,152
Total cash disbursements	<u>375,704</u>	<u>119,457</u>	<u>26,236</u>	<u>5,000</u>	<u>526,397</u>
Total cash receipts over/(under) cash disbursements	<u>147,637</u>	<u>(18,069)</u>	<u>2,829</u>	<u>(5,000)</u>	<u>127,397</u>
Other financing receipts/(disbursements):					
Proceeds from sale of notes	20,000	-	-	-	20,000
Operating transfers in	-	75,000	-	-	75,000
Operating transfers out	(75,000)	-	-	-	(75,000)
Advances out	-	(36,000)	-	-	(36,000)
Other disbursements	(1,300)	-	-	-	(1,300)
Total other financing receipts/(disbursements)	<u>(56,300)</u>	<u>39,000</u>	<u>-</u>	<u>-</u>	<u>(17,300)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	91,337	20,931	2,829	(5,000)	110,097
Cash fund balances, January 1, 2002	<u>43,355</u>	<u>61,922</u>	<u>64,257</u>	<u>5,000</u>	<u>174,534</u>
Cash fund balances, December 31, 2002	<u>\$ 134,692</u>	<u>\$ 82,853</u>	<u>\$ 67,086</u>	<u>\$ -</u>	<u>\$ 284,631</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

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

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Nonexpendable Trust	
Operating cash receipts:			
Charges for services	\$ 372,849	\$ -	\$ 372,849
Other miscellaneous	3,465	-	3,465
Interest	-	611	611
Total operating cash receipts	<u>376,314</u>	<u>611</u>	<u>376,925</u>
Operating cash disbursements:			
Personal services	91,067	-	91,067
Contractual services	33,053	-	33,053
Supplies and materials	50,637	844	51,481
Capital outlay	65,730	-	65,730
Total operating cash disbursements	<u>240,487</u>	<u>844</u>	<u>241,331</u>
Operating income (loss)	<u>135,827</u>	<u>(233)</u>	<u>135,594</u>
Nonoperating cash receipts/(disbursements):			
Interest	3,099	-	3,099
Intergovernmental receipts	13,554	-	13,554
Debt Service:			
Principal	(1,140)	-	(1,140)
Interest	(130,931)	-	(130,931)
Total nonoperating cash receipts/(disbursements)	<u>(115,418)</u>	<u>-</u>	<u>(115,418)</u>
Income (loss) before advances	20,409	(233)	20,176
Advance in	<u>36,000</u>	<u>-</u>	<u>36,000</u>
Net income (loss)	56,409	(233)	56,176
Cash fund balances, January 1, 2002	<u>212,547</u>	<u>10,500</u>	<u>223,047</u>
Cash fund balances, December 31, 2002	<u>\$ 268,956</u>	<u>\$ 10,267</u>	<u>\$ 279,223</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2002 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2002 Appropriations	Total	Actual 2002 Disbursements	Encumbrances Outstanding at 12/31/02	Total	Variance Favorable (Unfavorable)
Governmental:												
General	\$ 43,355	\$ 335,000	\$ 378,355	\$ 543,341	\$ 208,341	\$ -	\$ 339,200	\$ 339,200	\$ 452,004	\$ -	\$ 452,004	\$ (112,804)
Special Revenue	61,093	153,000	214,093	176,388	23,388	-	109,896	109,896	155,457	-	155,457	(45,561)
Debt Service	64,257	28,000	92,257	29,065	1,065	-	31,000	31,000	26,236	-	26,236	4,764
Proprietary:												
Enterprise	212,547	394,000	606,547	428,967	34,967	-	359,437	359,437	372,558	-	372,558	(13,121)
Fiduciary:												
Expendable	5,000	-	5,000	-	(5,000)	-	-	-	5,000	-	5,000	(5,000)
Nonexpendable Trust	10,500	50	10,550	611	561	-	-	-	844	-	844	(844)
Total (Memorandum Only)	<u>\$ 396,752</u>	<u>\$ 910,050</u>	<u>\$ 1,306,802</u>	<u>\$ 1,178,372</u>	<u>\$ 263,322</u>	<u>\$ -</u>	<u>\$ 839,533</u>	<u>\$ 839,533</u>	<u>\$ 1,012,099</u>	<u>\$ -</u>	<u>\$ 1,012,099</u>	<u>\$ (172,566)</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

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

	Governmental Fund Types			Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust	
Cash receipts:					
Property and other local taxes	\$ 274,239	\$ 27,452	\$ 24,928	\$ -	\$ 326,619
Intergovernmental	72,733	43,408	2,813	-	118,954
Charges for services	495	6,940	-	-	7,435
Fines, licenses, and permits	5,206	-	-	-	5,206
Refunds	7,437	-	-	-	7,437
Interest	10,390	1,139	-	-	11,529
Miscellaneous	4,353	-	-	-	4,353
Total cash receipts	<u>374,853</u>	<u>78,939</u>	<u>27,741</u>	<u>-</u>	<u>481,533</u>
Cash disbursements:					
Current:					
Security of persons and property	146,202	15,266	-	-	161,468
Public health services	2,941	14,545	-	-	17,486
Leisure time activities	26,378	-	-	-	26,378
Community environment	650	-	-	-	650
Transportation	81,154	88,367	-	-	169,521
General government	156,794	9,702	-	-	166,496
Capital outlay	3,991	7,004	-	-	10,995
Debt service:					
Principal retirement	-	15,227	20,000	-	35,227
Interest charges	-	4,769	7,594	-	12,363
Total cash disbursements	<u>418,110</u>	<u>154,880</u>	<u>27,594</u>	<u>-</u>	<u>600,584</u>
Total cash receipts over/(under) cash disbursements	<u>(43,257)</u>	<u>(75,941)</u>	<u>147</u>	<u>-</u>	<u>(119,051)</u>
Other financing receipts/(disbursements):					
Proceeds from sale of notes	20,000	-	-	-	20,000
Operating transfers in	-	30,000	-	-	30,000
Operating transfers out	(50,570)	-	-	-	(50,570)
Advances in	-	36,000	-	-	36,000
Total other financing receipts/(disbursements)	<u>(30,570)</u>	<u>66,000</u>	<u>-</u>	<u>-</u>	<u>35,430</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	<u>(73,827)</u>	<u>(9,941)</u>	<u>147</u>	<u>-</u>	<u>(83,621)</u>
Cash fund balances, January 1, 2001 (restated)	<u>117,182</u>	<u>71,863</u>	<u>64,110</u>	<u>5,000</u>	<u>258,155</u>
Cash fund balances, December 31, 2001	<u>\$ 43,355</u>	<u>\$ 61,922</u>	<u>\$ 64,257</u>	<u>\$ 5,000</u>	<u>\$ 174,534</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

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

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Nonexpendable Trust	
Operating cash receipts:			
Charges for services	\$ 341,593	\$ -	\$ 341,593
Other miscellaneous	8,471	-	8,471
Interest	-	57	57
Total operating cash receipts	<u>350,064</u>	<u>57</u>	<u>350,121</u>
Operating cash disbursements:			
Personal services	112,097	-	112,097
Contractual services	249,377	-	249,377
Supplies and materials	44,514	-	44,514
Capital outlay	75,764	-	75,764
Total operating cash disbursements	<u>481,752</u>	<u>-</u>	<u>481,752</u>
Operating income (loss)	<u>(131,688)</u>	<u>57</u>	<u>(131,631)</u>
Nonoperating cash receipts/(disbursements):			
Intergovernmental receipts	111,320	-	111,320
Proceeds of notes	5,247	-	5,247
Interest	8,906	-	8,906
Debt Service:			
Principal	(186,546)	-	(186,546)
Interest	(40,225)	-	(40,225)
Total nonoperating cash receipts/(disbursements)	<u>(101,298)</u>	<u>-</u>	<u>(101,298)</u>
Income (loss) before operating transfers and advances	(232,986)	57	(232,929)
Transfers in	20,570	-	20,570
Advances out	<u>(36,000)</u>	<u>-</u>	<u>(36,000)</u>
Net income (loss)	(248,416)	57	(248,359)
Cash fund balances, January 1, 2001 (restated)	<u>460,963</u>	<u>10,443</u>	<u>471,406</u>
Cash fund balances, December 31, 2001	<u>\$ 212,547</u>	<u>\$ 10,500</u>	<u>\$ 223,047</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2001 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2001 Appropriations	Total	Actual 2001 Disbursements	Encumbrances Outstanding at 12/31/01	Total	Variance Favorable (Unfavorable)
Governmental:												
General	\$ 118,335	\$ 332,200	\$ 450,535	\$ 394,853	\$ 62,653	\$ -	\$ 448,850	\$ 448,850	\$ 468,680	\$ -	\$ 468,680	\$ (19,830)
Special Revenue	69,899	195,337	265,236	144,939	(50,398)	-	162,986	162,986	154,880	-	154,880	8,106
Debt Service	64,110	41,000	105,110	27,741	(13,259)	-	31,000	31,000	27,594	-	27,594	3,406
Proprietary:												
Enterprise	460,965	557,176	1,018,141	496,107	(61,069)	-	901,763	901,763	744,523	-	744,523	157,240
Fiduciary:												
Expendable	5,000	-	5,000	-	-	-	-	-	-	-	-	-
Nonexpendable Trust	10,443	-	10,443	57	57	-	600	600	-	-	-	600
Total (Memorandum Only)	\$ 728,752	\$ 1,125,713	\$ 1,854,465	\$ 1,063,697	\$ (62,016)	\$ -	\$ 1,545,199	\$ 1,545,199	\$ 1,395,677	\$ -	\$ 1,395,677	\$ 149,522

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of New Washington (the "Village") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Village operates under a council-mayor form of government and provides the following services: security of persons and property, public health services, leisure time activities, community environment, basic utility services, road repair and maintenance and general governmental services.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIS OF PRESENTATION - FUND ACCOUNTING

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

General Fund

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

Special Revenue Funds

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

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

The Village had the following significant special revenue funds:

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

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

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

Debt Service Fund

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

OWDA Bond Fund - This fund receives tax levy proceeds to pay off bonds issued in 1979 for water and sewer improvements.

Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant enterprise funds:

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

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

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. The Village had the following significant fiduciary funds:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

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

Cummins Trust - (Expendable Trust Fund) - This fund received a donation from an estate to be spent on Village park maintenance.

Cummins Trust - (Nonexpendable Trust) - This fund received a donation from an estate to be held for ten years from date of transfer, with principal to be used after the tenth year on promoting any cause, event, or the purchase of any musical equipment or supplies which is for the betterment of classical, choral or band music within the Village.

B. BASIS OF ACCOUNTING

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

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

C. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting.

The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds (except Agency funds) are legally required to be budgeted and appropriated. The primary level of budgetary control is at the item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

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

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year unless waived by the County Budget Commission. Crawford County Board of Commissioners waived the filing of the 2001 and 2002 tax budget.

Estimated Resources:

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

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Village did not adopt any supplemental appropriations during the years ended December 31, 2002 and 2001.

Encumbrances:

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

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

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Village did not have outstanding encumbrances at December 31, 2002 and 2001.

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$10,474 and \$20,492 for the years ended December 31, 2002 and 2001, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

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

F. INTERGOVERNMENTAL REVENUES

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

G. INTERFUND TRANSACTIONS

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

Transfers are intended to permanently reallocate money from one fund to another as authorized in the Ohio Revised Code Section 5705.14 to 5705.16. Advances are temporary loans to other funds which are ultimately going to be repaid.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

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

H. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Village.

I. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 - COMPLIANCE AND PRIOR PERIOD ADJUSTMENT

A. Prior Period Adjustment

The Village is restating its General Fund, Special Revenue – Holiday Tree Fund and Enterprise Fund – Sanitary Sewer fund balances at January 1, 2001. The prior period adjustment is due to additional information regarding monies paid by the General Fund on behalf of the Sanitary Sewer Fund and the discovery of an additional bank account held in the Village's name for holiday trees.

The prior period adjustments above had the following effects on the Village's fund balances:

	General	Special Revenue	Enterprise
Balance 1/01/01	\$ 72,182	\$ 71,054	\$ 505,963
Prior Period Adjustments	45,000	809	(45,000)
Restated Balances 1/1/01	\$ 117,182	\$ 71,863	\$ 460,963

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 3 - COMPLIANCE AND PRIOR PERIOD ADJUSTMENT - (Continued)

B. Compliance

In noncompliance with Ohio Revised Code Section 5705.41 (B), the following funds had expenditures in excess of appropriations for the years ended December 31:

2002:

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
GENERAL	\$ 339,200	\$ 452,004	\$ 112,804

SPECIAL REVENUE FUNDS:

Street Construction, Maintenance and Repair	59,900	101,604	41,704
Ambulance	17,000	30,641	13,641

ENTERPRISE FUNDS:

Water	162,900	176,072	13,172
Sewer	191,931	196,486	4,555

FIDUCIARY FUNDS:

Expendable Trust:

Cummins Trust	-	5,000	5,000
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Nonexpendable Trust:

Cummins Trust	-	844	844
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2001:

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
GENERAL	\$ 448,850	\$ 468,680	\$ 19,830

SPECIAL REVENUE FUNDS:

Street Construction, Maintenance and Repair	65,570	87,586	22,016
State Highway	2,755	2,855	100

ENTERPRISE FUND:

Water	175,700	207,063	31,363
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Disclosure is presented at the fund level, rather than at the department and item level within the fund due to the practicality of determining these values.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 4 - INTERFUND TRANSACTIONS

The following is a summarized breakdown of the Village's operating transfers for 2002:

	<u>Transfers In</u>	<u>Transfers Out</u>
GENERAL FUND	\$ -	\$ 75,000
<u>SPECIAL REVENUE FUND:</u>		
Street Construction, Maintenance and Repair	<u>75,000</u>	<u>-</u>
Totals	<u>\$ 75,000</u>	<u>\$ 75,000</u>

The following is a summarized breakdown of the Village's advances for 2002:

	<u>Advance In</u>	<u>Advance Out</u>
<u>SPECIAL REVENUE FUNDS:</u>		
Street Construction, Maintenance and Repair	\$ -	\$ 30,000
Fire	<u>-</u>	<u>6,000</u>
Total Special Revenue Funds	<u>-</u>	<u>36,000</u>
<u>ENTERPRISE FUND:</u>		
Sewer	<u>36,000</u>	<u>-</u>
Totals	<u>\$ 36,000</u>	<u>\$ 36,000</u>

The following is a summarized breakdown of the Village's operating transfers for 2001:

	<u>Transfers In</u>	<u>Transfers Out</u>
GENERAL FUND	\$ -	\$ 50,570
<u>SPECIAL REVENUE FUND:</u>		
Street Construction, Maintenance and Repair	30,000	-
<u>ENTERPRISE FUND:</u>		
Water	<u>20,570</u>	<u>-</u>
Totals	<u>\$ 50,570</u>	<u>\$ 50,570</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 4 - INTERFUND TRANSACTIONS - (Continued)

The following is a summarized breakdown of the Village's advances for 2001:

	<u>Advances In</u>	<u>Advances Out</u>
SPECIAL REVENUE FUNDS:		
Street Construction, Maintenance and Repair	\$ 30,000	\$ -
Fire	<u>6,000</u>	<u>-</u>
Total Special Revenue Funds	<u>36,000</u>	<u>-</u>
 <u>ENTERPRISE FUND:</u>		
Sewer	<u>-</u>	<u>36,000</u>
 Totals	 <u>\$ 36,000</u>	 <u>\$ 36,000</u>

The transfers in the years ended December 31, 2002 and 2001 were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 5 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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:

	<u>2002</u>	<u>2001</u>
Deposits: Demand deposits	\$ 291,175	\$ 95,176
Deposits: Certificate of deposits	<u>272,679</u>	<u>302,405</u>
 Total Cash and Cash Equivalents	 <u>\$ 563,854</u>	 <u>\$ 397,581</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 WASHINGTON
CRAWFORD COUNTY, OHIO**

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

NOTE 6 - LOCAL INCOME TAX

This locally levied tax of 1.00% applies to gross salaries, wages and other personal service compensation earned by residents both in and out of the Village and to earnings of nonresidents (except certain transients) earned in the Village. It also applies to the net income of business organizations located within the Village. Tax receipts are credited to the Village and amounted to \$222,403 and 233,108 for the years ended December 31, 2002 and 2001, respectively.

NOTE 7 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County annually. However, if the property owner elects, they may make semiannual payments.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 8 - DEBT OBLIGATIONS

At December 31, 2002, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/02</u>	<u>Balance at 12/31/01</u>
2001 OWDA planning note for construction of Village water tower.	\$ 40,000	\$ 20,000
2000 United States Department of Agriculture (USDA) Rural Development - Sanitary Sewer System Mortgage Revenue Bonds - Series A - due in annual installments of varying amounts through 2040, bearing interest at 4.88%.	2,487,000	2,487,000
2000 (USDA) Rural Development - Sanitary Sewer System Mortgage Revenue Bonds - Series B - due in annual installments of varying amounts through 2040, bearing interest at 4.75%.	204,000	204,000
1999 OWDA note for Northeast Waterline Replacement - not fully disbursed at December 31, 2000 - due in semi-annual installments of \$570 through 2021, bearing no interest.	20,516	21,656
1996 bond for the purchase of a fire truck, due in annual installments of \$19,996, through 2005 bearing interest at 5.60%.	53,847	69,927
1979 OWDA bond for water and sewer improvements, due in annual installments of varying amounts through 2005, bearing interest at 7.00%.	<u>60,000</u>	<u>80,000</u>
Total debt obligations	<u>\$ 2,865,363</u>	<u>\$ 2,882,583</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 8 - DEBT OBLIGATIONS - (Continued)

Transactions for the year ended December 31, 2002, are summarized as follows:

<u>Description</u>	<u>Balance at 12/31/01</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/02</u>
<i>Bonds:</i>				
Bond - USDA - Series A	\$ 2,487,000	\$ -	\$ -	\$ 2,487,000
Bond - USDA - Series B	204,000	-	-	204,000
Bond - Bank - Fire Truck	69,927	-	(16,080)	53,847
Bond - OWDA	<u>80,000</u>	<u>-</u>	<u>(20,000)</u>	<u>60,000</u>
Total Bonds	<u>2,840,927</u>	<u>-</u>	<u>(36,080)</u>	<u>2,804,847</u>
<i>Notes:</i>				
Note - OWDA	20,000	20,000	-	40,000
Note - OPWC	<u>21,656</u>	<u>-</u>	<u>(1,140)</u>	<u>20,516</u>
Total Notes	<u>41,656</u>	<u>20,000</u>	<u>(1,140)</u>	<u>60,516</u>
Total Debt	<u>\$ 2,882,583</u>	<u>\$ 20,000</u>	<u>\$ (37,220)</u>	<u>\$ 2,865,363</u>

Transactions for the year ended December 31, 2001, are summarized as follows:

<u>Description</u>	<u>Balance at 12/31/00</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/01</u>
<i>Bonds:</i>				
Bond - USDA - Series A	\$ 2,487,000	\$ -	\$ -	\$ 2,487,000
Bond - USDA - Series B	204,000	-	-	204,000
Bond - Bank - Fire Truck	85,154	-	(15,227)	69,927
Bond - OWDA	<u>100,000</u>	<u>-</u>	<u>(20,000)</u>	<u>80,000</u>
Total Bonds	<u>2,876,154</u>	<u>-</u>	<u>(35,227)</u>	<u>2,840,927</u>
<i>Notes:</i>				
Note - OWDA	-	20,000	-	20,000
Note - OWDA (Restated)	185,406	-	(185,406)	-
Note - OPWC	<u>17,549</u>	<u>5,247</u>	<u>(1,140)</u>	<u>21,656</u>
Total Notes	<u>202,955</u>	<u>25,247</u>	<u>(186,546)</u>	<u>41,656</u>
Total Debt	<u>\$ 3,079,109</u>	<u>\$ 25,247</u>	<u>\$ (221,773)</u>	<u>\$ 2,882,583</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 8 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2002, are as follows:

Year Ending December 31,	Bond - USDA		Bond - USDA		Bond - Fire Truck		Bond - OWDA		Note -OWDA
	Series A Principal	Interest	Series B Principal	Interest	Principal	Interest	Principal	Interest	Principal
2003	\$ 23,800	\$ 121,241	\$ 2,000	\$ 9,690	\$ 16,980	\$ 3,016	\$ 20,000	\$ 4,200	\$ 570
2004	24,900	120,081	2,100	9,595	17,932	2,064	20,000	2,800	1,140
2005	26,100	118,867	2,200	9,495	18,935	1,061	20,000	1,400	1,140
2006	27,400	117,595	2,300	9,391	-	-	-	-	1,140
2007	28,800	116,259	2,400	9,282	-	-	-	-	1,140
2008-2012	166,100	558,856	13,900	44,571	-	-	-	-	5,700
2013-2017	210,800	514,215	17,600	40,941	-	-	-	-	5,700
2018-2022	267,400	457,572	22,100	36,361	-	-	-	-	3,986
2023-2027	339,300	385,715	27,900	30,580	-	-	-	-	-
2028-2032	430,500	294,549	35,100	23,299	-	-	-	-	-
2033-2037	546,100	178,879	44,400	14,118	-	-	-	-	-
2038-2040	395,800	39,204	32,000	3,088	-	-	-	-	-
Total	<u>\$2,487,000</u>	<u>\$ 3,023,033</u>	<u>\$ 204,000</u>	<u>\$ 240,411</u>	<u>\$ 53,847</u>	<u>\$ 6,141</u>	<u>\$ 60,000</u>	<u>\$ 8,400</u>	<u>\$ 20,516</u>

The 2001 OWDA planning note with a principal balance of \$40,000 for construction of the Village water tower is not yet fully disbursed as of December 31, 2002. Upon final disbursement, OWDA will finalize financing terms and repayment requirements.

NOTE 9 - DEBT SERVICE TRUSTEED FUNDS

The Sanitary Sewer Installment trust agreement required the Village to establish a debt service fund to be maintained by a custodian bank. The Village has established this fund. At December 31, 2002 and 2001, the custodian held \$10,350 and \$11,050, respectively in Village assets. These assets, and the related receipts and disbursements, are not reflected in the accompanying financial statements.

NOTE 10 - RETIREMENT SYSTEMS

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE 10 - RETIREMENT SYSTEMS - (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. OPERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. As of December 31, 2002, the Village's unpaid portion for OPERS was \$7,878 and for PFDPF was \$2,964. All amounts for 2001 have been paid.

NOTE 11 - RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

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

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

NOTE 12 - CONTINGENT LIABILITY

LITIGATION

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

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited the financial statements of the Village of New Washington as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 21, 2003. 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 of New Washington's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2002-VONW-001 and 2002-VONW-002. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Village of New Washington in a separate letter dated March 21, 2003.

Members of Council and Mayor
Village of New Washington

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of New Washington's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted four matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2002-VONW-003 and 2002-VONW-004.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider 2002-VONW-003 and 2002-VONW-004 to be material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to the management of the Village of New Washington in a separate letter dated March 21, 2003.

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

Trimble, Julian & Grube, Inc.
March 21, 2003

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

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

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

Finding Number	2002-VONW-001
----------------	---------------

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

It was noted during the audit that the Village had expenditures in excess of appropriations for the years ended December 31, 2002 and 2001 in the following funds:

2002:

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
GENERAL	\$ 339,200	\$ 452,004	\$ 112,804

SPECIAL REVENUE FUNDS:

Street Construction,			
Maintenance and Repair	59,900	101,604	41,704
Ambulance	17,000	30,641	13,641

ENTERPRISE FUNDS:

Water	162,900	176,072	13,172
Sewer	191,931	196,486	4,555

FIDUCIARY FUNDS:

<u>Expendable Trust:</u>			
Cummins Trust	-	5,000	5,000
<u>Nonexpendable Trust:</u>			
Cummins Trust	-	844	844

2001:

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
GENERAL	\$ 448,850	\$ 468,680	\$ 19,830

SPECIAL REVENUE FUNDS:

Street Construction,			
Maintenance and Repair	65,570	87,586	22,016
State Highway	2,755	2,855	100

ENTERPRISE FUND:

Water	175,700	207,063	31,363
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**VILLAGE OF NEW WASHINGTON
CRAWFORD COUNTY, OHIO**

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

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

Finding Number	2002-VONW-001
----------------	---------------

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

With expenditures exceeding appropriations, the Village is unlawfully expending monies that have not been appropriated.

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

Finding Number	2002-VONW-002
----------------	---------------

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

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

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

We recommend that the Village implement a policy and procedure for contracts involving the expenditure of money be timely certified to insure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The Village should issue approved purchase orders and consider using blanket and super blanket purchase orders and/or "Then" and "Now" certificates where applicable.

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

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

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

Finding Number	2002-VONW-003
----------------	---------------

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

It is not proper budgeting stewardness for the Village to expend monies or incur obligations without maintaining an appropriation ledger to monitor that funds have been properly appropriated for such expenditures.

We recommend that the Village Council maintain an appropriation ledger, and update them accordingly. These ledgers should be reviewed periodically by the Village Council to enable them to make appropriate budgetary decisions. The Village may consider consulting with an accounting firm to help monitor compliance with this requirement. We also recommend obtaining a computerized system to help with efficiency and effectiveness throughout the year.

Finding Number	2002-VONW-004
----------------	---------------

It was noted during the audit that the Village does not use a computer system to account for its general accounting and payroll functions.

Lack of the use of a computer, requires numerous repetitive calculations to be performed when computing payroll, writing checks, tracking budgetary items, and etc.

We recommend that the Village investigate computerizing the Village operations.

This will enable the Village to more accurately be aware of its financial condition on a daily basis.

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

**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:
2000-1740205-001	Ohio Revised Code Section 5705.41(D)	No	The Village is looking to get on a computerized system to help account for budgetary activity.
2000-1740205-002	Ohio Administrative Code Sections 117-05-01 to 117-05-18	No	The Village is looking to get on a computerized system to help account for budgetary activity.
2000-1740205-003	Ohio Revised Code Section 5705.41(B)	No	The Village is attempting to more closely monitor and amend appropriations and is considering computerizing its operations to help facilitate this process.
2000-1740205-004	Ohio Revised Code Section 5705.39	Yes	N/A



**Auditor of State
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Facsimile 614-466-4490

VILLAGE OF NEW WASHINGTON

CRAWFORD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 24, 2003**