



**Auditor of State
Betty Montgomery**

VILLAGE OF WASHINGTONVILLE
COLUMBIANA 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, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary and Similar Fiduciary Fund Type For the Year Ended December 31, 2003.....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2002.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary and Similar Fiduciary Fund Type For the Year Ended December 31, 2002.....	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

This Page Intentionally Left Blank.



**Auditor of State
Betty Montgomery**

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Washingtonville
Columbiana County
100 School Street
Washingtonville, Ohio 44490

To the Village Council:

We have audited the accompanying financial statements of the Village of Washingtonville, Columbiana County (the Village) as of and for the years ended December 31, 2003 and 2002. 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.

The Village's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments.

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 of the Village as of December 31, 2003 and 2002, 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 December 10, 2004 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 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 10, 2004

**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$14,502	\$53,560		\$68,062
Intergovernmental Receipts	27,039	40,272		67,311
Special Assessments	560			560
Fines, Licenses, and Permits	33,368	375		33,743
Earnings on Investments	1,890	56		1,946
Miscellaneous	2,189	973		3,162
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	79,548	95,236		174,784
Cash Disbursements:				
Current:				
Security of Persons and Property	17,826	52,578		70,404
Public Health Services	610			610
Transportation		15,462		15,462
General Government	70,669			70,669
Capital Outlay	2,931	4,388		7,319
Debt Service:				
Principal Payments		6,568		6,568
Interest Payments		906		906
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	92,036	79,902		171,938
Total Receipts Over/(Under) Disbursements	(12,488)	15,334		2,846
Other Financing Receipts and (Disbursements):				
Sale of Fixed Assets	199			199
Other Financing Uses	(3,326)			(3,326)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(3,127)			(3,127)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(15,615)	15,334		(281)
Fund Cash Balances, January 1	100,913	111,560	91,172	303,645
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$85,298	\$126,894	\$91,172	\$303,364
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$254,257		\$254,257
Fines, Licenses and Permits		\$31,464	31,464
Total Operating Cash Receipts	254,257	31,464	285,721
Operating Cash Disbursements:			
Personal Services	62,200		62,200
Fringe Benefits	21,527		21,527
Contractual Services	101,315		101,315
Supplies and Materials	15,762		15,762
Other		35,542	35,542
Capital Outlay	7,791		7,791
Total Operating Cash Disbursements	208,595	35,542	244,137
Operating Income	45,662	(4,078)	41,584
Non-Operating Cash Disbursements:			
Debt Service	63,528		63,528
Total Non-Operating Cash Disbursements	63,528		63,528
Net Receipts Over/(Under) Disbursements	(17,866)	(4,078)	(21,944)
Fund Cash Balances, January 1	271,670	12,175	283,845
Fund Cash Balances, December 31	\$253,804	\$8,097	\$261,901

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

**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$13,795	\$53,415		\$67,210
Intergovernmental Receipts	20,749	36,496	\$19,964	77,209
Fines, Licenses, and Permits	26,697	687		27,384
Earnings on Investments	3,120	175		3,295
Miscellaneous	4,275	1,487		5,762
Total Cash Receipts	68,636	92,260	19,964	180,860
Cash Disbursements:				
Current:				
Security of Persons and Property	8,989	73,736		82,725
Public Health Services	524			524
Transportation		14,115		14,115
General Government	62,371			62,371
Capital Outlay		2,254	18,994	21,248
Debt Service:				
Principal Payments		3,699		3,699
Interest Payments		1,029		1,029
Total Cash Disbursements	71,884	94,833	18,994	185,711
Total Receipts Under Disbursements	(3,248)	(2,573)	970	(4,851)
Other Financing Receipts and (Disbursements):				
Sale of Fixed Assets	100	301		401
Other Financing Uses	(2,015)			(2,015)
Total Other Financing Receipts/(Disbursements)	(1,915)	301		(1,614)
Excess of Cash Receipts and Other Financing Receipts Under Cash Disbursements and Other Financing Disbursements	(5,163)	(2,272)	970	(6,465)
Fund Cash Balances, January 1	106,076	111,239	90,202	307,517
Fund Cash Balances, December 31	\$100,913	\$108,967	\$91,172	\$301,052

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

**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$260,005		\$260,005
Fines, Licenses and Permits		\$34,678	34,678
Miscellaneous	5,216		5,216
	<hr/>	<hr/>	<hr/>
Total Operating Cash Receipts	265,221	34,678	299,899
Operating Cash Disbursements:			
Personal Services	58,602		58,602
Fringe Benefits	18,054		18,054
Contractual Services	96,625		96,625
Supplies and Materials	14,729		14,729
Other		28,575	28,575
Capital Outlay	17,407		17,407
	<hr/>	<hr/>	<hr/>
Total Operating Cash Disbursements	205,417	28,575	233,992
Operating Income	59,804	6,103	65,907
Non-Operating Cash Receipts:			
Sale of Fixed Assets	153		153
	<hr/>	<hr/>	<hr/>
Total Non-Operating Cash Receipts	153		153
Non-Operating Cash Disbursements:			
Debt Service	68,339		68,339
	<hr/>	<hr/>	<hr/>
Total Non-Operating Cash Disbursements	68,339		68,339
Net Receipts Over/(Under) Disbursements	(8,382)	6,103	(2,279)
Fund Cash Balances, January 1	282,645	6,072	288,717
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$274,263</u>	<u>\$12,175</u>	<u>\$286,438</u>

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

**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Washingtonville, Columbiana County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities and police services. The Village contracts with the Village of Leetonia to provide fire protection 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 reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued 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:

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 Funds

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

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

VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

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

D. **Fund Accounting (Continued)**

2. **Special Revenue Funds (Continued)**

Police Levy Fund – This fund receives property tax money used solely to provide police protection for Village residents.

Fire Levy Fund – This fund receives property tax money used solely to provide fire protection for Village residents.

3. **Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital projects fund:

Grant Construction Fund – This fund receives grant money to make improvements to the municipal building.

4. **Enterprise Funds**

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

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

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

5. **Fiduciary Fund (Agency Funds)**

Funds for which the Village is acting in an agency capacity are classified as agency funds. The *Mayor's Court Fund* receives and disburses fines and court costs collected by the Mayor's Court. This activity is appended to and reported in the financial statements.

E. **Budgetary Process**

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

1. **Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control except the General Fund which is at the fund, function, 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. Appropriations lapse at year end.

**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 individual commitments are made. Encumbrances outstanding at year end are canceled and re-appropriated in the subsequent year.

A summary of 2003 and 2002 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.

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

	<u>2002</u>	<u>2003</u>
Demand deposits	\$532,719	\$509,310
Certificates of deposit	54,771	55,955
Total deposits	<u>\$587,490</u>	<u>\$565,265</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 WASHINGTONVILLE
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$66,103	\$79,747	\$13,644
Special Revenue	92,456	95,236	2,780
Capital Projects	0	0	0
Enterprise	273,798	254,257	(19,541)
Total	<u>\$432,357</u>	<u>\$429,240</u>	<u>(\$3,117)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$167,015	\$95,362	\$71,653
Special Revenue	201,424	79,902	121,522
Capital Projects	90,082	0	90,082
Enterprise	549,150	272,123	277,027
Total	<u>\$1,007,671</u>	<u>\$447,387</u>	<u>\$560,284</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$64,501	\$68,736	\$4,235
Special Revenue	95,334	92,561	(2,773)
Capital Projects	19,964	19,964	0
Enterprise	271,086	265,374	(5,712)
Total	<u>\$450,885</u>	<u>\$446,635</u>	<u>(\$4,250)</u>

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$170,576	\$73,899	\$96,677
Special Revenue	206,569	94,833	111,736
Capital Projects	110,166	18,994	91,172
Enterprise	552,008	273,756	278,252
Total	<u>\$1,039,319</u>	<u>\$461,482</u>	<u>\$577,837</u>

**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

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.

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

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

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

5. DEBT

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan	\$58,440	0.00%
Farmers Home Administration Loan	747,000	4.50%
Promissory Note - Police Cruiser	6,039	5.88%
Ford Utility Truck Lease	6,036	5.90%
Total	<u>\$817,515</u>	

The Ohio Public Works Commission (OPWC) loan relates to a sewer line installation project for the Village. The loan is to be repaid in semiannual installments of \$2,435, over twenty years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements.

In 1997, the Village entered into a loan agreement with Farmers Home Administration. The loan was used for a water and sewer line to bring water from the City of Salem to the Village of Washingtonville. The loan will be repaid in annual installments over twenty years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements.

The Village entered into a promissory note with Sky Bank for a 2001 Ford Crown Victoria police cruiser. The balance is being paid over five years. The note is collateralized by the Village's taxing authority.

The Village entered into a lease with the Ford Motor Company for a 2002 Ford 250 truck. The Village will pay four semiannual payments of \$6,214. The lease is collateralized by water and sewer receipts.

**VILLAGE OF WASHINGTONVILLE
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. DEBT (Continued)

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

Year ending December 31:	<u>OPWC Loan</u>	<u>FHA Loan</u>	<u>2002 Ford Truck Lease</u>	<u>Note Police Cruiser</u>
2004	\$4,870	\$43,615	\$6,214	\$4,262
2005	4,870	43,165	0	2,131
2006	4,870	43,715	0	0
2007	4,870	43,220	0	0
2008	4,870	43,725	0	0
Subsequent	34,090	1,254,240	0	0
Total	<u>\$58,440</u>	<u>\$1,471,680</u>	<u>\$6,214</u>	<u>\$6,393</u>

6. RETIREMENT SYSTEMS

The Village's law enforcement officers 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Wrongful acts
- Inland marine, and
- Crime

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



Auditor of State Betty Montgomery

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

Village of Washingtonville
Columbiana County
100 School Street
Washingtonville, Ohio 44490

To the Village Council:

We have audited the financial statements of the Village of Washingtonville (the Village) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated December 10, 2004 wherein we noted that the Village's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to conduct the audit of the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain instance of noncompliance that we have reported to management of the Village in a separate letter dated December 10, 2004.

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 December 10, 2004.

Village of Washingtonville
Columbiana 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 of 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 10, 2004



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**VILLAGE OF WASHINGTONVILLE
COLUMBIANA 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
JANUARY 13, 2005**