

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

FINANCIAL STATEMENTS
(AUDITED)

**FOR THE YEAR ENDED
DECEMBER 31, 2008**

SUE WILSON, CLERK/TREASURER



Mary Taylor, CPA

Auditor of State

Village Council
Village of New Concord
2 West Main Street
PO Box 10
New Concord, Ohio 43762

We have reviewed the *Independent Auditor's Report* of the Village of New Concord, Muskingum County, prepared by Julian & Grube, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 18, 2009

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**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

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Independent Auditor's Report

Village of New Concord
2 West Main Street
P.O. Box 10
New Concord, Ohio 43762

We have audited the accompanying financial statements of the Village of New Concord, Muskingum County, Ohio, as of and for the year ended December 31, 2008. These financial statements are the responsibility of the Village of New Concord's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 2, the Village of New Concord prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

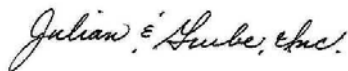
Revisions to GAAP would require the Village of New Concord to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2008. Instead of the combined funds the accompanying financial statements present for December 31, 2008, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for December 31, 2008. While the Village of New Concord does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village of New Concord has elected not to reformat its statements. Since the Village of New Concord does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of New Concord, Muskingum County, Ohio, as of December 31, 2008, or its changes in financial position or cash flows of its proprietary fund type for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash fund balances of the Village of New Concord, Muskingum County, Ohio, as of December 31, 2008 and its combined cash receipts and cash disbursements and its combined budgeted and actual receipts and budgeted and actual disbursements for the year then ended on the accounting basis Note 2 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village of New Concord to include Management's Discussion and Analysis for the year ended December 31, 2008. The Village of New Concord has not presented Management's Discussion and Analysis which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2009 on our consideration of the Village of New Concord's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Julian & Grube, Inc.
April 10, 2009

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2008

<u>Cash, Cash Equivalents and Investments</u>	<u>2008</u>
Cash and Cash Equivalents	\$ 37,909
Investments	<u>527,272</u>
Total Cash, Cash Equivalents, and Investments	<u><u>\$ 565,181</u></u>
 <u>Fund Balances</u>	
<u>Governmental Fund Types:</u>	
General	\$ 117,274
Special Revenue	229,601
Debt Service	<u>9,197</u>
Total Governmental Fund Types	<u>356,072</u>
 <u>Proprietary Fund Type:</u>	
Enterprise	<u>209,109</u>
Total Fund Balances	<u><u>\$ 565,181</u></u>

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

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Local taxes	\$ 716,192	\$ 73,484	\$ 11,080	\$ -	\$ 800,756
Intergovernmental	61,640	136,075	-	-	197,715
Special assessments	-	-	18,414	-	18,414
Charges for services	-	309,080	-	-	309,080
Fines, licenses, and permits	66,475	-	-	-	66,475
Interest	13,874	-	-	-	13,874
Donations	-	39,272	-	-	39,272
Miscellaneous	35,917	-	-	-	35,917
Total cash receipts	<u>894,098</u>	<u>557,911</u>	<u>29,494</u>	<u>-</u>	<u>1,481,503</u>
Cash disbursements:					
Current:					
Security of persons and property	245,043	205,715	-	-	450,758
Leisure time activities	-	34,643	-	-	34,643
Transportation	-	203,028	-	-	203,028
General government	488,400	1,486	1,425	-	491,311
Capital outlay	31,362	195,917	-	3,795	231,074
Debt service:					
Principal retirement	69,116	78,296	52,734	-	200,146
Interest and fiscal charges	31,229	5,122	8,991	-	45,342
Total cash disbursements	<u>865,150</u>	<u>724,207</u>	<u>63,150</u>	<u>3,795</u>	<u>1,656,302</u>
Total cash receipts over/(under) cash disbursements	<u>28,948</u>	<u>(166,296)</u>	<u>(33,656)</u>	<u>(3,795)</u>	<u>(174,799)</u>
Other financing receipts/(disbursements):					
Operating transfers in	7,515	197,000	36,027	-	240,542
Operating transfers out	(222,080)	-	(7,515)	-	(229,595)
Advances out	(50,000)	-	-	-	(50,000)
Other uses	(2,184)	-	-	-	(2,184)
Total other financing receipts/(disbursements)	<u>(266,749)</u>	<u>197,000</u>	<u>28,512</u>	<u>-</u>	<u>(41,237)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(237,801)	30,704	(5,144)	(3,795)	(216,036)
Cash fund balances, January 1, 2008	<u>355,075</u>	<u>198,897</u>	<u>14,341</u>	<u>3,795</u>	<u>572,108</u>
Cash fund balances, December 31, 2008	<u>\$ 117,274</u>	<u>\$ 229,601</u>	<u>\$ 9,197</u>	<u>\$ -</u>	<u>\$ 356,072</u>

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

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN CASH FUND BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2008

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 856,209
Total operating cash receipts	856,209
Operating cash disbursements:	
Personal services	298,526
Contractual services	135,224
Supplies and material	141,795
Capital outlay	165,578
Total operating cash disbursements	741,123
Operating income	115,086
Nonoperating cash receipts/(disbursements):	
Miscellaneous	1,502
Proceeds of notes	125,000
Other financing uses	(4,734)
Debt service:	
Principal	(78,703)
Interest	(75,169)
Total nonoperating cash receipts/(disbursements)	(32,104)
Income before operating transfers and advances	82,982
Transfers in	41,100
Transfers out	(52,047)
Advances in	50,000
Net income	122,035
Cash fund balances, January 1, 2008	87,074
Cash fund balances, December 31, 2008	\$ 209,109

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

VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008

Fund Types	Receipts				Disbursements				Variance Favorable (Unfavorable)			
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2008 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2008 Appropriations	Total		Actual 2008 Disbursements	Encumbrances Outstanding at 12/31/08	Total
Governmental:												
General	\$ 355,075	\$ 914,831	\$ 1,269,906	\$ 901,613	\$ (13,218)	\$ -	\$ 1,269,300	\$ 1,269,300	\$ 1,139,414	\$ -	\$ 1,139,414	\$ 129,886
Special Revenue	198,897	624,574	823,471	754,911	130,337	-	811,490	811,490	724,207	-	724,207	87,283
Debt Service	14,341	61,060	75,401	65,521	4,461	-	75,400	75,400	70,665	-	70,665	4,735
Capital Projects	3,795	-	3,795	-	-	-	3,795	3,795	3,795	-	3,795	-
Proprietary:												
Enterprise	87,074	989,822	1,076,896	1,073,811	83,989	-	1,069,900	1,069,900	951,776	-	951,776	118,124
Total	\$ 659,182	\$ 2,590,287	\$ 3,249,469	\$ 2,795,856	\$ 205,569	\$ -	\$ 3,229,885	\$ 3,229,885	\$ 2,889,857	\$ -	\$ 2,889,857	\$ 340,028
(Memorandum Only)												

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

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of New Concord, Muskingum County, Ohio (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: police protection, fire protection, water, sewer, street maintenance and repair, village court, as well as other general government services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials are financially accountable.

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.

GOVERNMENTAL FUNDS

General Fund

The general fund is used to account for all activities of the Village not required to be included in another fund and the mayor's court. 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 expenditure for specific purposes.

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

The Village had the following significant Special Revenue Funds:

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

Fire Equipment Reserve Fund - This fund receives grants and charges for services monies to provide fire and emergency medical services for the Village.

Debt Service Funds

These funds are used to accumulate resources for the payment of indebtedness. The Village had the following significant Debt Service Funds:

North Friendship Sewer Debt - This fund accumulates resources via special assessments and transfers in for the payment of debt.

Rix Mills/South Friendship Sewer Upgrade - This fund accumulates resources via special assessments and transfers in for the payment of debt.

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 funds). The Village had the following significant Capital Project Fund:

Village Building Improvements Fund - This fund accounts for all capital outlay transactions relating to the Village Administrative Building.

PROPRIETARY FUND TYPE

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:

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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.

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

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. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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 determined that receipts collected will be greater than or less than the prior estimate, and the Budget Commission finds the revised estimate 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. The Village had several amendments to the original estimated certificate during the year ended December 31, 2008.

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 adopted several appropriation modifications during the year ended December 31, 2008.

Encumbrances:

As part of the 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.

At the close of each 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 had no outstanding encumbrances at December 31, 2008.

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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 \$13,874 for the year ended December 31, 2008.

E. PROPERTY, PLANT AND EQUIPMENT

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

F. 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 cash basis of accounting used by the Village.

G. INTERFUND TRANSACTIONS

During the course of normal operations, the Village had transactions between funds. The most significant include transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the necessary fund and are recorded as operating transfers. Advances are temporary loans to other funds which will ultimately be repaid.

H. 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.

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.

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 3 - CASH, CASH EQUIVALENTS 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:

	<u>2008</u>
Deposits:	
Demand Deposits	\$ 37,909
Investments:	
Repurchase Agreement	<u>527,272</u>
Total Cash and Investments	<u>\$ 565,181</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

Investments: The Village's financial institution has pledged securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name. The repurchase agreement is valued at cost.

NOTE 4 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. 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. Real property taxes are payable annually or semiannually to the County. Under certain circumstances, State Statute permits later payment dates to be established.

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - PROPERTY TAX - (Continued)

Tangible personal property tax revenues received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, was 6.25% for 2008. This percentage will be zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the Village due to the phasing out of the tax. In calendar years 2008-2010, the Village will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - DEBT OBLIGATIONS

At December 31, 2008, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 2008</u>
<u>Governmental Fund Type:</u>	
2007 Dump Truck note, due in semiannual principal payments of \$6,100 plus interest at 5.5% through 2012.	\$ 48,800
2005 Squad note, due in annual principal payments of \$12,000 amounts through 2010 at a rate of 3.17%.	24,000
2004 Various Purpose General Obligation Bond, due in annual payments of varying amounts through 2018 at a rate of 4.5%.	550,000
1999 Main Street Lighting bonds, due in annual payments of \$27,045 through 2009 at a rate of 5.9%.	25,538
1994 Ohio Water Development Authority (OWDA) Sewer Improvement loan, due in semiannual payments of \$12,084 through 2015 at a rate of 4.56%.	134,643
	<u>134,643</u>
Total Governmental Fund Type debt obligations	<u>\$ 782,981</u>

<u>Description</u>	<u>Balance at December 31, 2008</u>
<u>Proprietary Fund Type:</u>	
2008 Sludge Press note, due in annual payments of varying amounts through 2018 at a rate of 5.25%.	\$ 125,000
2006 OWDA Sanitary Sewer Replacement Loan, due in semiannual payments of \$4,294 through 2027 at a rate of 1%.	144,711
2002 OWDA Wastewater Treatment Plant Improvements Loan due in semiannual payments of \$5,823 at 0% interest through 2023.	168,860
1994 OWDA Water Improvement loan, due in semiannual payments of \$46,269 through 2021 at a rate of 5.85%.	804,339
1985 Sewer USDA Mortgage Revenue Bonds, due in annual payments of varying amounts through 2025 at a rate of 5%.	465,000
	<u>465,000</u>
Total Proprietary Fund Type debt obligations	<u>\$ 1,707,910</u>

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - DEBT OBLIGATIONS - (Continued)

Transactions for the year ended December 31, 2008, are summarized as follows:

<u>Governmental Fund Type</u>	Balance			Balance at
<u>Description</u>	<u>12/31/2007</u>	<u>Proceeds</u>	<u>Payments</u>	<u>12/31/2008</u>
2007 Dump Truck Note	\$ 61,000	\$ -	\$ (12,200)	\$ 48,800
2005 Squad Note	48,000	-	(24,000)	24,000
2004 Various Purpose General Obligation Bonds	595,000	-	(45,000)	550,000
1999 Main Street Lighting Bonds	49,654	-	(24,116)	25,538
OWDA Loan-Sewer 1998	25,304	-	(25,304)	-
1998 Wedgewood Special Assessment Bonds	10,000	-	(10,000)	-
OWDA Loan-Sewer 1994	<u>152,073</u>	<u>-</u>	<u>(17,430)</u>	<u>134,643</u>
Total Governmental Fund Type debt obligations	<u>\$ 941,031</u>	<u>\$ -</u>	<u>\$ (158,050)</u>	<u>\$ 782,981</u>
<u>Enterprise Fund Type</u>	Balance			Balance at
<u>Description</u>	<u>12/31/2007</u>	<u>Proceeds</u>	<u>Payments</u>	<u>12/31/2008</u>
2008 Sludge Press	\$ -	\$ 125,000	\$ -	\$ 125,000
OWDA Loan-Sanitary Sewer Replacement 2006	151,798	-	(7,087)	144,711
OWDA Loan-Wastewater Treatment Plant Improvement 2002	180,506	-	(11,646)	168,860
OWDA Loan-Water Improvement 1994	847,309	-	(42,970)	804,339
1985 USDA Mortgage Revenue Bonds	<u>482,000</u>	<u>-</u>	<u>(17,000)</u>	<u>465,000</u>
Total Enterprise Fund Type debt obligations	<u>\$ 1,661,613</u>	<u>\$ 125,000</u>	<u>\$ (78,703)</u>	<u>\$ 1,707,910</u>
Total All Funds	<u>\$ 2,602,644</u>	<u>\$ 125,000</u>	<u>\$ (236,753)</u>	<u>\$ 2,490,891</u>

Capital lease payments are included in principal and interest on the financial statements. Principal payments in 2008 were \$42,096 in the governmental fund type. See Note 6 for additional information regarding the Village's capital leases.

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2008, are as follows:

Year Ending December 31,	2007 Dump Truck Note		2005 Squad Note		2004 Various Purpose General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 12,200	\$ 2,516	\$ 12,000	\$ 380	\$ 45,000	\$ 26,276
2010	12,200	1,845	12,000	190	45,000	24,250
2011	12,200	1,174	-	-	50,000	22,224
2012	12,200	503	-	-	50,000	19,976
2013	-	-	-	-	55,000	17,726
2014 - 2018	-	-	-	-	305,000	47,000
2019 - 2023	-	-	-	-	-	-
2024 - 2027	-	-	-	-	-	-
Total	\$ 48,800	\$ 6,038	\$ 24,000	\$ 570	\$ 550,000	\$ 157,452

Year Ending December 31,	1999 Main Street Lighting Bonds		1994 OWDA Sewer Improvement Loan	
	Principal	Interest	Principal	Interest
2009	\$ 25,538	\$ 1,507	\$ 18,234	\$ 5,934
2010	-	-	19,075	5,093
2011	-	-	19,954	4,214
2012	-	-	20,874	3,294
2013	-	-	21,837	2,331
2014 - 2018	-	-	34,669	1,583
Total	\$ 25,538	\$ 1,507	\$ 134,643	\$ 22,449

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - DEBT OBLIGATIONS - (Continued)

Year Ending December 31,	2008 Sludge Press Note		2006 OWDA Sanitary Sewer Replacement		2002 OWDA Wastewater Treatment Plant
	Principal	Interest	Principal	Interest	Principal
2009	\$ 16,201	\$ 255	\$ 7,158	\$ 1,430	\$ 11,646
2010	10,665	5,791	7,230	1,358	11,646
2011	11,232	5,224	7,303	1,285	11,646
2012	11,830	4,626	7,376	1,212	11,646
2013	12,449	4,007	7,450	1,138	11,646
2014 - 2018	62,623	9,303	38,383	4,557	58,230
2019 - 2023	-	-	40,348	2,592	52,400
2024 - 2027	-	-	29,463	595	-
Total	<u>\$ 125,000</u>	<u>\$ 29,206</u>	<u>\$ 144,711</u>	<u>\$ 14,167</u>	<u>\$ 168,860</u>

Year Ending December 31,	1994 OWDA Water Improvement Loan		1985 USDA Mortgage Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 45,483	\$ 47,055	\$ 18,000	\$ 23,250	\$ 211,460	\$ 108,603
2010	48,143	44,395	19,000	22,350	184,959	105,272
2011	50,960	41,578	20,000	21,400	183,295	97,099
2012	53,942	38,596	21,000	20,400	188,868	88,607
2013	57,097	35,441	22,000	19,350	187,479	79,993
2014 - 2018	339,673	123,017	127,000	79,200	965,578	264,660
2019 - 2023	209,041	22,304	162,000	44,150	463,789	69,046
2024 - 2027	-	-	76,000	5,750	105,463	6,345
Total	<u>\$ 804,339</u>	<u>\$ 352,386</u>	<u>\$ 465,000</u>	<u>\$ 235,850</u>	<u>\$ 2,490,891</u>	<u>\$ 819,625</u>

NOTE 6 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the Village entered into a capitalized lease for a backhoe loader and a 1998 fire truck. The accompanying principal and interest payments are recognized within Special Revenue Funds principal and interest line items in the amount of \$42,096 and \$2,124, respectively, for 2008. The backhoe loader and fire truck leases were paid in full in 2008.

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 6 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)

The leases meet the criteria of a capital lease as defined by the Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

NOTE 7 - LOCAL INCOME TAX

This locally levied tax of 1.0% applies to gross salaries, wages, and other personal service compensation earned by residents both in and out of the Village, as well as earnings of nonresidents (except certain transients) earned within the Village. It also applies to the net income of business organizations located within the Village. Income tax receipts are credited to the Village's General Fund and amounted to \$612,937.

NOTE 8 - RETIREMENT SYSTEMS

Certain Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. The Village's Police, Fire and Emergency Medical Services employees belong to the Ohio Police & Fire Pension Fund (OP&F).

Contribution rates are also prescribed by the Ohio Revised Code. For 2008, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries. For 2008, OP&F members contributed 10% of their gross salaries. The Village contributed an amount equal to 19.5% and 24% for police and fire for the year ended December 31, 2008. The Village has paid all contributions required under both plans through December 31, 2008.

NOTE 9 - RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- General liability and casualty
- Public official's liability
- Property (fleet and fire)

The Village also provides health, life, disability, and prescription insurance to full-time employees through a private carrier. The Village has obtained commercial insurance for the following: Property, Liability, Automobile Liability, Employee Dishonesty, Theft, all with various deductibles.

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - INTERFUND TRANSACTIONS

The Village had the following interfund transactions for the year ended December 31, 2008:

<u>Fund Type/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
GENERAL FUND	\$ 7,515	\$ 222,080
<u>SPECIAL REVENUE FUNDS:</u>		
Street Construction, Maintenance & Repair	150,000	-
Fire	40,000	-
Recreation	<u>7,000</u>	<u>-</u>
Total Special Revenue Funds	<u>197,000</u>	<u>-</u>
<u>DEBT SERVICE FUNDS:</u>		
North Friendship Sewer Debt	10,947	-
Wedgewood Debt	-	7,515
Rix Mills/South Friendship Debt	<u>25,080</u>	<u>-</u>
Total Debt Service Funds	<u>36,027</u>	<u>7,515</u>
<u>ENTERPRISE FUNDS:</u>		
Sanitary Sewer	-	52,047
Sewer Debt	<u>41,100</u>	<u>-</u>
Total Enterprise Funds	<u>41,100</u>	<u>52,047</u>
Total	<u>\$ 282,402</u>	<u>\$ 282,402</u>

Transfers from the General Fund are used to subsidize other funds' activities. The transfers from the Sanitary Sewer Fund to the North Friendship Sewer Debt Fund and the Sewer Debt Fund are for the retirement of debt and debt reserve requirements. The transfer from the Wedgewood Debt Service Fund to the General Fund is the unexpended balance of Bond Retirement Funds.

The above transfers were made in accordance with the Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - INTERFUND TRANSACTIONS - (Continued)

The Village had the following advances for the year ended December 31, 2008:

<u>Fund Type/Fund:</u>	<u>Advances In</u>	<u>Advances Out</u>
GENERAL FUND	\$ -	\$ 50,000
<u>ENTERPRISE FUND:</u>		
Water	50,000	-
Total Enterprise Fund	50,000	-
Total	<u>\$ 50,000</u>	<u>\$ 50,000</u>

NOTE 11 - CONTINGENT LIABILITY

LITIGATION

The Village is not currently involved in litigation.



Julian & Grube, Inc.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Members of Council and Mayor
Village of New Concord
2 West Main Street
New Concord, Ohio 43762

We have audited the financial statements of the Village of New Concord, Muskingum County, Ohio, as of and for the year ended December 31, 2008, and have issued our report thereon dated April 10, 2009, wherein we noted the Village of New Concord followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of New Concord's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of New Concord's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of New Concord's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village of New Concord's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village of New Concord's financial statements that is more than inconsequential will not be prevented or detected by the Village of New Concord's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of New Concord's internal control.

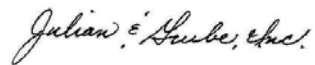
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Members of Council and Mayor
Village of New Concord

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of New Concord's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
April 10, 2009

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-VONC-001	Note disclosure at December 31, 2006 excluded \$155,316 in OWDA loans	Yes	Finding No Longer Valid: Note disclosure was corrected on 2007 audit report.



Mary Taylor, CPA
Auditor of State

VILLAGE OF NEW CONCORD

MUSKINGUM 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
MAY 28, 2009