

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

*Financial Statements
(Audited)*

For The Year Ended
December 31, 2001

SUE WILSON, CLERK/TREASURER



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398
www.auditor.state.oh.us

Members of Council and Mayor
Village of New Concord
2 West Main Street, P.O. Box 10
New Concord, OH 43762

We have reviewed the Independent Auditor's Report of the Village of New Concord, Muskingum County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2001 through December 31, 2001. 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 Concord is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 5, 2002

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

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TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

Members of Council and Mayor
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, as of and for the year ended December 31, 2001. 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 *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 Concord 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 Concord, as of December 31, 2001, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the year then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 4, 2002, on our consideration of the Village of New Concord's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the 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.
June 4, 2002

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

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

<u>Cash and Investments</u>	<u>2001</u>
Cash and Cash Equivalents	\$ (22,961)
Investments	<u>889,315</u>
Total Cash and Investments	<u>\$ 866,354</u>
 <u>Fund Balances</u>	
<u>Governmental Fund Types:</u>	
General Fund	\$ 203,348
Special Revenue Funds	251,328
Debt Service Funds	36,431
Capital Projects Funds	<u>106,696</u>
Total Governmental Fund Types	<u>597,803</u>
 <u>Proprietary Fund Type:</u>	
Enterprise Funds	<u>261,028</u>
 <u>Fiduciary Fund Type:</u>	
Agency Funds	<u>7,523</u>
Total Fund Balances	<u>\$ 866,354</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, 2001

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Local taxes	\$ 436,066	\$ 67,914	\$ -	\$ -	\$ 503,980
Intergovernmental	108,746	61,719	-	75,000	245,465
Special assessments	-	-	28,135	-	28,135
Charges for services	-	146,729	-	-	146,729
Fines, licenses, and permits	47,173	-	-	-	47,173
Interest	28,269	3,170	-	-	31,439
Donations	-	2,242	-	35,000	37,242
Miscellaneous	23,639	-	-	-	23,639
Total cash receipts	<u>643,893</u>	<u>281,774</u>	<u>28,135</u>	<u>110,000</u>	<u>1,063,802</u>
Cash disbursements:					
Current:					
Security of persons and property	131,456	78,808	-	-	210,264
Leisure time activities	1,400	14,012	-	-	15,412
Transportation	-	134,885	-	-	134,885
General government	210,890	1,029	1,089	-	213,008
Capital outlay	45,843	92,841	-	196,612	335,296
Debt service:					
Principal retirement	-	-	51,069	-	51,069
Interest charges	-	-	35,570	-	35,570
Total cash disbursements	<u>389,589</u>	<u>321,575</u>	<u>87,728</u>	<u>196,612</u>	<u>995,504</u>
Total cash receipts over/(under) cash disbursements	<u>254,304</u>	<u>(39,801)</u>	<u>(59,593)</u>	<u>(86,612)</u>	<u>68,298</u>
Other financing receipts/(disbursements):					
Operating transfers in	-	157,354	76,124	82,750	316,228
Advance in	-	-	-	122,000	122,000
Operating transfers out	(277,149)	-	-	-	(277,149)
Advance out	(122,000)	-	-	-	(122,000)
Other uses	(884)	-	-	-	(884)
Total other financing receipts/(disbursements)	<u>(400,033)</u>	<u>157,354</u>	<u>76,124</u>	<u>204,750</u>	<u>38,195</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(145,729)	117,553	16,531	118,138	106,493
Cash fund balances, January 1, 2001	234,763	246,089	19,900	4,000	504,752
Residual equity transfer in	114,314	-	-	-	114,314
Residual equity transfer out	-	(112,314)	-	(15,442)	(127,756)
Cash fund balances, December 31, 2001	<u>\$ 203,348</u>	<u>\$ 251,328</u>	<u>\$ 36,431</u>	<u>\$ 106,696</u>	<u>\$ 597,803</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 AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Agency	
Operating cash receipts:			
Charges for services	\$ 604,596	\$ -	\$ 604,596
Total operating cash receipts	<u>604,596</u>	<u>-</u>	<u>604,596</u>
Operating cash disbursements:			
Personal services	136,495	-	136,495
Contractual services	157,033	-	157,033
Supplies and material	102,483	-	102,483
Capital outlay	77,631	8,138	85,769
Total operating cash disbursements	<u>473,642</u>	<u>8,138</u>	<u>481,780</u>
Operating income/(loss)	<u>130,954</u>	<u>(8,138)</u>	<u>122,816</u>
Nonoperating cash receipts/(disbursements):			
Fines collected	-	41,173	41,173
Fines disbursed	-	(41,173)	(41,173)
Other nonoperating receipts	6,000	5,418	11,418
Debt service:			
Principal	(40,866)	-	(40,866)
Interest	(92,673)	-	(92,673)
Other nonoperating disbursements	(606)		(606)
Total nonoperating cash receipts/(disbursements)	<u>(128,145)</u>	<u>5,418</u>	<u>(122,727)</u>
Income/(loss) before operating transfers	2,809	(2,720)	89
Transfers in	46,025	-	46,025
Transfers out	<u>(73,934)</u>	<u>(11,170)</u>	<u>(85,104)</u>
Net (loss)	(25,100)	(13,890)	(38,990)
Cash fund balances, January 1, 2001	272,686	21,413	294,099
Residual equity transfer in	<u>13,442</u>	<u>-</u>	<u>13,442</u>
Cash fund balances, December 31, 2001	<u>\$ 261,028</u>	<u>\$ 7,523</u>	<u>\$ 268,551</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 ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001

Fund Types	Receipts				Disbursements					Variance Favorable (Unfavorable)		
	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
Governmental:												
General	\$ 234,895	\$ 700,000	\$ 934,895	\$ 643,893	\$ (56,107)	\$ 3,823	\$ 934,895	\$ 938,718	\$ 789,622	\$ 956	\$ 790,578	\$ 148,140
Special Revenue	223,955	394,467	618,422	439,128	44,661	551	478,240	478,791	321,575	49	321,624	157,167
Debt Service	19,900	83,547	103,447	104,259	20,712	-	91,827	91,827	87,728	-	87,728	4,099
Capital Projects	4,000	222,750	226,750	314,750	92,000	-	216,054	216,054	196,612	-	196,612	19,442
Proprietary:												
Enterprise	278,786	669,025	947,811	656,621	(12,404)	11,286	947,811	959,097	681,721	26,699	708,420	250,677
Total (Memorandum Only)	\$ 761,536	\$ 2,069,789	\$ 2,831,325	\$ 2,158,651	\$ 88,862	\$ 15,660	\$ 2,668,827	\$ 2,684,487	\$ 2,077,258	\$ 27,704	\$ 2,104,962	\$ 579,525

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, 2001

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of New Concord (“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, mayor’s 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 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.

GOVERNMENTAL FUND TYPES

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 expenditure for specific purposes.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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.

Emergency Medical Service Fund - This fund receives monies from charges for services for providing emergency medical services.

Debt Service Funds

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

Debt Service - Sewer Extension - This fund accumulates resources via transfers for the payment of the Sewer Extension project debt.

Debt Service - South Friendship Sewer - This fund accumulates resources via transfers for the payment of the South Friendship Sewer project debt.

Debt Service - Rix Mills Sewer Upgrade - This fund accumulates resources via transfers for the payment of the Rix Mills Sewer Upgrade project 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 Projects Funds:

East Muskingum Trail-Bike Path - This fund accumulates monies via the general fund, grants and donations to upgrade the community parks and recreation.

South Village Water Loop-Water Line Extension - This fund accumulates resources via the water fund, to expand water services to residents south of the Village.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

PROPRIETARY FUND TYPES

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 (AGENCY FUNDS)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Fiduciary Fund:

Mayor's Court (agency) - This fund receives monies from collections on fines imposed from tickets issued by the Village's police protection force. Funds are collected in part on behalf of the State of Ohio. In addition, funds are used for safety programs, computerization, and general Village operations.

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).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

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. 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.

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. All funds (except certain agency funds) are legally required to be budgeted. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

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 finds 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

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.

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.

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 had outstanding encumbrances at December 31, 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 \$31,439 for the year ended December 31, 2001.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

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 method of accounting.

G. 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.

H. INTERFUND TRANSACTIONS

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

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers.
2. Short-term interfund loans that will be repaid within the next year are termed "advances". The Village had one short-term advance outstanding at the year ended December 31, 2001.
3. Residual equity transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from fund balance equity. The Village had residual equity transfers in 2001. See Note 8.

All transfers in and out complied with the Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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, 2001

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash 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>2001</u>
Deposits:	
Demand deposits	\$(22,961)
Investments:	
Repurchase agreements	<u>889,315</u>
Total deposits and investments	<u>\$866,354</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation, or collateralized by the financial institution's public entity deposit pool. The negative carrying amount of the Village's demand deposits is due to the "zero-balance" nature of the Village's bank accounts.

Investments: Repurchase agreements are uninsured and unregistered investments in which the securities are held by the counterparty's trust department or agent in the Village's name.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 4 - DEBT OBLIGATIONS

At December 31, 2001, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 2001</u>
1988 Special Assessment bonds - Wedgewood, due in semiannual payments of varying amounts through 2008 at a rate of 8.20%.	\$ 40,000
1999 Main Street Lighting bonds, due in annual payments of \$27,045 through 2009 at a rate of 5.90%.	168,611
1994 Ohio Water Development Authority (OWDA) Water Improvement loan, due in semiannual payments of \$46,269 through 2021 at a rate of 5.85%.	1,059,602
1994 Ohio Water Development Authority (OWDA) Sewer Improvement loan, due in semiannual payments of \$12,084 through 2015 at a rate of 4.56%.	241,650
1985 Sewer USDA Mortgage Revenue Bonds, due in annual payments of varying amounts through 2025 at a rate of 5%.	568,000
1998 Ohio Water Development Authority (OWDA) Sewer loan, due in semiannual payments of \$13,369 through 2008 at a rate of 5.66%.	<u>150,383</u>
Total debt obligations at December 31, 2001	<u>\$2,228,246</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 4 - DEBT OBLIGATIONS - (Continued)

<u>Description:</u>	<u>Balance at December 31, 2000</u>	<u>Payments</u>	<u>Balance at December 31, 2001</u>
Special Assessment Bonds- Wedgewood	\$ 45,000	\$ 5,000	\$ 40,000
Main Street Lighting Bonds	184,755	16,144	168,611
OWDA Loan - Water 1994	1,088,468	28,866	1,059,602
OWDA Loan - Sewer 1994	254,363	12,713	241,650
USDA Mortgage Revenue Bonds	580,000	12,000	568,000
OWDA Loan - Sewer 1998	<u>167,595</u>	<u>17,212</u>	<u>150,383</u>
Total All Funds	<u>\$2,320,181</u>	<u>\$91,935</u>	<u>\$2,228,246</u>

The principal and interest requirement to retire the debt obligation outstanding at December 31, 2001, is as follows:

	<u>Special Assessment Bonds - Wedgewood</u>		<u>1999 Main St. Lighting Bonds</u>		<u>1994 OWDA Water Improvement Loan</u>		<u>1994 OWDA Sewer Improvement Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 5,000	\$ 3,280	\$ 17,097	\$ 9,948	\$ 30,550	\$ 61,988	\$ 13,298	\$10,870
2003	5,000	2,870	18,106	8,939	32,338	60,200	13,911	10,257
2004	5,000	2,460	19,174	7,871	34,229	58,309	14,554	9,614
2005	5,000	2,050	20,305	6,740	36,232	56,306	15,225	8,943
2006	5,000	1,640	21,503	5,542	38,351	54,187	15,927	8,241
2007 - 2011	15,000	2,050	72,426	8,709	228,151	234,539	91,356	29,484
2012 - 2016	-	-	-	-	303,164	159,526	77,379	7,205
2017 - 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,587</u>	<u>59,829</u>	<u>-</u>	<u>-</u>
Total	<u>\$40,000</u>	<u>\$14,350</u>	<u>\$168,611</u>	<u>\$47,749</u>	<u>\$1,059,602</u>	<u>\$744,884</u>	<u>\$241,650</u>	<u>\$84,614</u>

	<u>1985 Sewer USDA Mortgage Revenue Bonds</u>		<u>1998 OWDA Sewer Loan</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 13,000	\$ 28,400	\$ 18,186	\$ 8,552	\$ 97,131	\$ 123,038
2003	13,000	27,750	19,216	7,522	101,571	117,538
2004	14,000	27,100	20,304	6,434	107,261	111,788
2005	15,000	26,400	21,452	5,286	113,214	105,725
2006	15,000	26,650	22,666	4,072	118,447	100,332
2007 - 2011	90,000	116,000	48,559	4,222	545,492	395,004
2012 - 2016	115,000	91,000	-	-	495,543	257,731
2017 - 2021	147,000	59,200	-	-	503,587	119,029
2022 - 2025	<u>146,000</u>	<u>18,650</u>	<u>-</u>	<u>-</u>	<u>146,000</u>	<u>18,650</u>
Total	<u>\$568,000</u>	<u>\$421,150</u>	<u>\$150,383</u>	<u>\$ 36,088</u>	<u>\$2,228,246</u>	<u>\$1,348,835</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 5 - 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, he/she 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.

NOTE 6 - LOCAL INCOME TAX

This locally levied tax of one percent applies to gross salaries, wages, and other personal service compensation earned by residents both in and out of the Village and to earnings of nonresidents (except certain transients) earned in the Village. It also applies to the net income of business organizations located within the Village. Tax receipts are credited to the Village and amounted to \$348,512.

NOTE 7 - RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Fund (OP&F). Other 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 post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 7 - RETIREMENT SYSTEMS - (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2001, members of OP&F contribute 10% of their wages to the OP&F. The Village contributes an amount equal to 19.5% of police employees' wages and 24% of firefighter employees' wages. PERS members contribute 8.5% of their gross salaries. The Village contributes an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2001.

NOTE 8 - RESIDUAL EQUITY TRANSFER

In 2001, the Village had residual equity transfers as follows:

- The Special Revenue Income Tax fund was reclassified to be included in the General Fund.
- The Capital Projects Main Street Project was completed and its related fund was subsequently closed out. The remaining fund balance was transferred to the General Fund.
- The Capital Projects Entrance Capital Outlay Project was completed and its related fund was subsequently closed out. The remaining balance was transferred to the Water Fund.
- The Capital Projects Rix Mills Sewer Project was completed and its related fund was subsequently closed out. The remaining balance was transferred to the Sewer Fund.

	<u>Residual Equity</u>	
	<u>Transfer-in</u>	<u>Transfer-out</u>
General Fund	\$114,314	
<u>Special Revenue Fund</u>		
Income Tax Fund		\$112,314
<u>Capital Projects Funds</u>		
Entrance Capital Outlay		11,442
Main Street		2,000
Rix Mills Sewer		2,000
Total Capital Projects Funds	-	15,442
<u>Enterprise Funds</u>		
Water	11,442	
Sewer	2,000	
Total Enterprise Funds	13,442	-
Totals	\$127,756	\$127,756

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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.

NOTE 10 - CONTINGENT LIABILITY

LITIGATION

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

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

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 Concord
2 West Main St.
P. O. Box 10
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, 2001, and have issued our report thereon dated June 4, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village 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 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 immaterial instance of noncompliance that we have reported to the management of the Village of New Concord in a separate letter dated June 4, 2002.

Members of Council and Mayor
Village of New Concord

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of New Concord's, Muskingum County, 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 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 operations 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 the management of the Village of New Concord in a separate letter dated June 4, 2002.

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

Trimble, Julian & Grube, Inc.
June 4, 2002

**VILLAGE OF NEW CONCORD
MUSKINGUM COUNTY**

DECEMBER 31, 2001

SCHEDULE OF PRIOR AUDIT FINDINGS

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2000-001	Ohio Revised Code Section 5705.39	Yes	Finding No Longer Valid
2000-002	Ohio Revised Code Section 5705.41(B)	Yes	Finding No Longer Valid
2000-003	Ohio Revised Code Section 5705.41(D)	Yes	Finding No Longer Valid



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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 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
JULY 30, 2002**