

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

*Financial Statements*  
**(Audited)**

For The Years Ended  
December 31, 2015 and 2014

**JULIE CRONAU, FISCAL OFFICER**





# Dave Yost • Auditor of State

Village Council  
Village of New Washington  
119 E. Mansfield Street  
P.O. Box 217  
New Washington, Ohio 44854

We have reviewed the *Independent Auditors' Report* of the Village of New Washington, Crawford County, prepared by Julian & Grube, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 12, 2016

**This page intentionally left blank.**

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

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report.....	1 - 2
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For The Year Ended December 31, 2015 .....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - Proprietary Fund Type - For The Year Ended December 31, 2015 .....	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For The Year Ended December 31, 2014 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - Proprietary Fund Type - For The Year Ended December 31, 2014 .....	6
Notes to the Financial Statements .....	7 - 14
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	15 - 16
Status of Prior Audit Findings .....	17



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report**

Village of New Washington  
Crawford County  
119 E. Mansfield Street  
P.O. Box 217  
New Washington, Ohio 44854

To the Members of Council and Mayor:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of the Village of New Washington, Crawford County, Ohio, as of and for the years ended December 31, 2015 and 2014.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statements misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village of New Washington's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village of New Washington's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Village of New Washington prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presumed they are material.

Though the Village of New Washington does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of New Washington as of December 31, 2015 and 2014, or changes in financial position or cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of New Washington, Crawford County, Ohio, as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2016, on our consideration of the Village of New Washington's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of New Washington's internal control over financial reporting and compliance.



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

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Property and other taxes	\$ 31,211	\$ 35,845	\$ -	\$ 67,056
Municipal income tax	290,856	-	-	290,856
Intergovernmental	30,199	46,831	-	77,030
Special assessments	-	5,174	-	5,174
Charges for services	17,040	13,927	-	30,967
Fines, licenses and permits	11,799	-	-	11,799
Earnings on Investments	811	682	97	1,590
Miscellaneous	3,621	838	-	4,459
Total cash receipts	<u>385,537</u>	<u>103,297</u>	<u>97</u>	<u>488,931</u>
Cash disbursements:				
Current:				
Security of persons and property	131,367	64,061	-	195,428
Public health services	8,666	-	-	8,666
Leisure time activities	37,810	-	-	37,810
Community environment	778	-	-	778
Transportation	-	142,671	-	142,671
General government	130,380	-	-	130,380
Capital outlay	-	-	63,355	63,355
Total cash disbursements	<u>309,001</u>	<u>206,732</u>	<u>63,355</u>	<u>579,088</u>
Total cash receipts over/(under) cash disbursements	<u>76,536</u>	<u>(103,435)</u>	<u>(63,258)</u>	<u>(90,157)</u>
Other financing receipts (disbursements):				
Operating transfers in	-	100,000	-	100,000
Operating transfers out	(100,000)	-	-	(100,000)
Total other financing receipts (disbursements)	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Net change in fund cash balances	(23,464)	(3,435)	(63,258)	(90,157)
Fund cash balances, January 1, 2015	<u>265,262</u>	<u>391,456</u>	<u>127,391</u>	<u>784,109</u>
Fund cash balances, December 31, 2015				
Nonspendable	-	-	-	-
Restricted	-	388,021	64,133	452,154
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	241,798	-	-	241,798
Fund cash balances, December 31, 2015	<u>\$ 241,798</u>	<u>\$ 388,021</u>	<u>\$ 64,133</u>	<u>\$ 693,952</u>

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



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

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
BALANCES (CASH BASIS) - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating cash receipts:	
Charges for services	\$ 332,660
Total operating cash receipts	<u>332,660</u>
Operating cash disbursements:	
Personal services	11,329
Fringe benefits	1,867
Contractual services	26,612
Supplies and materials	79,993
Total operating cash disbursements	<u>119,801</u>
Operating income/(loss)	<u>212,859</u>
Nonoperating cash receipts/(disbursements):	
Intergovernmental	18,187
Earnings on Investments	640
Capital outlay	(4,938)
Debt service:	
Principal	(45,500)
Interest	(111,129)
Total nonoperating cash receipts/(disbursements)	<u>(142,740)</u>
Net income/(loss)	70,119
Fund cash balances, January 1, 2015	<u>533,235</u>
Fund cash balances, December 31, 2015	<u><u>\$ 603,354</u></u>

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

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

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Property and other taxes	\$ 33,809	\$ 38,568	\$ -	\$ 72,377
Municipal income tax	322,846	-	-	322,846
Intergovernmental	30,759	38,025	-	68,784
Special assessments	-	5,158	-	5,158
Charges for services	16,398	21,089	-	37,487
Fines, licenses and permits	10,648	-	-	10,648
Earnings on Investments	795	590	158	1,543
Miscellaneous	18,999	605	-	19,604
Total cash receipts	<u>434,254</u>	<u>104,035</u>	<u>158</u>	<u>538,447</u>
Cash disbursements:				
Current:				
Security of persons and property	96,363	26,376	-	122,739
Public health services	8,881	-	-	8,881
Leisure time activities	36,368	-	-	36,368
Community environment	750	-	-	750
Transportation	-	144,176	-	144,176
General government	167,339	-	-	167,339
Capital outlay	-	-	147,391	147,391
Total cash disbursements	<u>309,701</u>	<u>170,552</u>	<u>147,391</u>	<u>627,644</u>
Total cash receipts over/(under) cash disbursements	<u>124,553</u>	<u>(66,517)</u>	<u>(147,233)</u>	<u>(89,197)</u>
Other financing receipts (disbursements):				
Operating transfers in	-	83,000	150,000	233,000
Operating transfers out	(233,000)	-	-	(233,000)
Total other financing receipts (disbursements)	<u>(233,000)</u>	<u>83,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund cash balances	(108,447)	16,483	2,767	(89,197)
Fund cash balances, January 1, 2014	<u>373,709</u>	<u>374,973</u>	<u>124,624</u>	<u>873,306</u>
Fund cash balances, December 31, 2014				
Restricted	-	391,456	127,391	518,847
Unassigned	265,262	-	-	265,262
Fund cash balances, December 31, 2014	<u>\$ 265,262</u>	<u>\$ 391,456</u>	<u>\$ 127,391</u>	<u>\$ 784,109</u>

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

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

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
BALANCES (CASH BASIS) - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating cash receipts:	
Charges for services	\$ 276,072
Total operating cash receipts	<u>276,072</u>
Operating cash disbursements:	
Personal services	11,141
Fringe benefits	1,605
Contractual services	29,376
Supplies and materials	36,832
Total operating cash disbursements	<u>78,954</u>
Operating income/(loss)	<u>197,118</u>
Nonoperating cash receipts/(disbursements):	
Earnings on Investments	638
Capital outlay	(4,228)
Debt service:	
Principal	(43,600)
Interest	(113,251)
Total nonoperating cash receipts/(disbursements)	<u>(160,441)</u>
Net income/(loss)	36,677
Fund cash balances, January 1, 2014	<u>496,558</u>
Fund cash balances, December 31, 2014	<u><u>\$ 533,235</u></u>

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

**VILLAGE OF NEW WASHINGTON  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of New Washington, Crawford County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides the following services: security of persons and property, public health services, leisure time activities, community environment, road repair and maintenance, sewer, storm sewer and general government services. The Village contracts with Northern Ohio Rural Water to receive basic utility services and Cranberry Township to receive fire protection services and emergency medical services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF NEW WASHINGTON  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. 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/Ambulance Fund - This Fund receives tax levy money to provide first responder and fire protection services.

**3. Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project fund:

Capital Improvement Fund - This fund is used to account for resources restricted for capital improvements. Proceeds were received in this fund from the sale of Village's waster system to Northern Ohio Rural Water.

**4. Enterprise Funds**

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

Sewer Operating Fund - This fund receives charges for services from residents to cover sewer service costs.

Storm Sewer Fund - This fund receives charges for services from residents to cover Storm Sewer service costs

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**VILLAGE OF NEW WASHINGTON  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must 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 carried over, and need not be reappropriated.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**VILLAGE OF NEW WASHINGTON  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

**3. Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**VILLAGE OF NEW WASHINGTON  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2015	2014
Demand deposits	\$579,475	\$863,770
Certificates of deposit	717,831	453,574
Total deposits	\$ 1,297,306	\$ 1,317,344

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village; or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2015 and December 31, 2014 as follows:

2015 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$348,225	\$385,537	\$37,312
Special Revenue	191,998	203,297	11,299
Capital Projects	102	97	(5)
Enterprise	288,680	351,487	62,807
Total	\$829,005	\$940,418	\$111,413

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$613,517	\$409,001	\$204,516
Special Revenue	583,454	206,732	376,722
Capital Projects	127,493	63,355	64,138
Enterprise	821,915	281,368	540,547
Total	\$2,146,379	\$960,456	\$1,185,923



**VILLAGE OF NEW WASHINGTON  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**3. BUDGETARY ACTIVITY - (Continued)**

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$350,224	\$434,254	\$84,030
Special Revenue	175,770	187,035	11,265
Capital Projects	150,101	150,158	57
Enterprise	263,682	276,710	13,028
Total	\$939,777	\$1,048,157	\$108,380

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$699,965	\$543,200	\$156,765
Special Revenue	517,551	170,882	346,669
Capital Projects	250,000	147,391	102,609
Enterprise	725,375	240,033	485,342
Total	\$2,192,891	\$1,101,506	\$1,091,385

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

**5. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**VILLAGE OF NEW WASHINGTON  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**6. DEBT**

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
USDA Series A	\$2,069,500	4.88%
USDA Series B	\$169,000	4.75%
Total	\$2,238,500	

During 2000, the Village entered into two loan agreements with the United States Department of Agriculture, Rural Development, also known as USDA. These loan funds were used to pay off the interim financing for the completed sewer system project. These loans are Sanitary Sewer System Mortgage Revenue Bonds. The loan amounts were for \$2,487,000, with a fixed interest rate of 4.88%, and \$204,000, with a fixed interest rate of 4.75%. These loans require payments over 40 years through 2040.

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

Year Ending December 31,	USDA Series A	USDA Series B
2016	\$ 144,988	\$ 11,628
2017	145,038	11,757
2018	144,981	11,671
2019	145,017	11,681
2020	145,035	11,682
2021 - 2025	724,925	58,455
2026 - 2030	725,035	58,515
2031 - 2035	724,967	58,450
2036 - 2040	725,058	58,491
Total	\$ 3,625,044	\$ 292,330

**7. RETIREMENT SYSTEMS**

The Village's certified Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OP&F participants contributed: (January 1, 2014-June 30, 2014: 10.75%, July 1, 2014-June 30, 2015: 11.5%, and July 1, 2015-December 31, 2015: 12.25%) of their wages, respectively. For 2015 and 2014, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wage. For 2015 and 2014, OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

**VILLAGE OF NEW WASHINGTON  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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

**9. INTERFUND ACTIVITY**

The Village had the following transfers for the year ended December 31, 2015:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 100,000
Special Revenue Fund	<u>100,000</u>	<u>-</u>
Total	<u>\$ 100,000</u>	<u>\$ 100,000</u>

The Village had the following transfers for the year ended December 31, 2014:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 233,000
Special Revenue Fund	83,000	-
Capital Projects Fund	<u>150,000</u>	<u>-</u>
Total	<u>\$ 233,000</u>	<u>\$ 233,000</u>

The Village approved transfer of funds from the General Fund to the Special Revenue Fund and Capital Projects Fund in order to meet operating and cash flow needs.

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



## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

Village of New Washington  
Crawford County  
119 E. Mansfield Street  
P.O. Box 217  
New Washington, Ohio 44854

To the Members of Council and Mayor:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the Village of New Washington, Crawford County, Ohio, as of and for the years ended December 31, 2015 and 2014 and the related notes to the financial statements and have issued our report thereon dated June 10, 2016, wherein we noted the Village of New Washington followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

#### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village of New Washington's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village of New Washington's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village of New Washington's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified weaknesses may exist.

Members of Council and Mayor  
Village of New Washington

***Compliance and Other Matters***

As part of reasonably assuring whether the Village of New Washington's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statements amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village of New Washington's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of New Washington's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Julian & Grube, Inc.  
June 10, 2016

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

**STATUS OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015 AND 2014**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i></b>
2013-001	The Village did not obtain an SSAE 16 report for the service organization which they used during the period under audit.	Yes	N/A
2013-002	Ohio Revised Code Section 5705.36 allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the Clerk that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources.	Yes	N/A
2013-003	Pursuant to Ohio Revised Code Section 149.43(B)(2), the entity shall have available a copy of its current records retention schedule at a location readily available to the public.	Yes	N/A



# Dave Yost • Auditor of State

VILLAGE OF NEW WASHINGTON

CRAWFORD COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 26, 2016