



**Auditor of State  
Betty Montgomery**



VILLAGE OF NEW BOSTON  
SCIOTO COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Village of New Boston  
Scioto County  
3980 Rhodes Avenue  
New Boston, Ohio 45662

To the Village Council:

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

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

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of New Boston, Scioto County, as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2003 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Village of New Boston  
Scioto County  
Independent Accountants' Report  
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This report is intended solely for the information and use of management, the Village Council and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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**Betty Montgomery**  
Auditor of State

June 2, 2003

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VILLAGE OF NEW BOSTON  
SCIOTO COUNTY

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

	<b>Governmental Fund Types</b>			
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$ 220,488	\$ 88,219	\$ 46,900	\$
Municipal Income Taxes	826,144	208,761		23,444
Intergovernmental Receipts	264,221	71,812	5,059	
Charges for Services	6,895			
Fines, Licenses, and Permits	47,112	3,071		
Earnings on Investments	11,470	220		
Miscellaneous	89,865	53,003		
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Total Cash Receipts	1,466,195	425,086	51,959	23,444
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	369,381	332,511		
Public Health Services	18,527	36,464		
Leisure Time Activities	7,300			
Community Environment		125,268		
Basic Utility Services	117,637	37,799		
Transportation	47,588	46,885		
General Government	858,482			
Debt Service:				
Principal Payments			29,915	7,602
Interest Payments			8,710	437
Financing and Other Debt-Service Related			1,038	
Capital Outlay				27,822
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Total Cash Disbursements	1,418,915	578,927	39,663	35,861
Total Cash Receipts Over/(Under) Cash Disbursements	47,280	(153,841)	12,296	(12,417)
<b>Other Financing Sources/(Uses):</b>				
Transfers-In		15,000		
Transfers-Out	(15,000)			
Other Financing Sources				
Other Financing Uses				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources/(Uses)	(15,000)	15,000	0	0
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	32,280	(138,841)	12,296	(12,417)
Fund Cash Balances, January 1	414,852	237,436	45,056	23,385
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 447,132</u></b>	<b><u>\$ 98,595</u></b>	<b><u>\$ 57,352</u></b>	<b><u>\$ 10,968</u></b>

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



Fiduciary Fund Types		Totals (Memorandum Only)
Expendable Trust	Agency Fund	
\$ 18,308	\$	\$ 373,915
		1,058,349
2,024		343,116
		6,895
		50,183
		11,690
5,500		148,368
<u>25,832</u>	<u>0</u>	<u>1,992,516</u>
11,876		713,768
		54,991
		7,300
		125,268
		155,436
		94,473
5,407		863,889
		37,517
		9,147
		1,038
		<u>27,822</u>
<u>17,283</u>	<u>0</u>	<u>2,090,649</u>
<u>8,549</u>	<u>0</u>	<u>(98,133)</u>
		15,000
		(15,000)
	55,549	55,549
	(53,531)	(53,531)
<u>0</u>	<u>2,018</u>	<u>2,018</u>
8,549	2,018	(96,115)
57,056	1,161	778,946
<u>\$ 65,605</u>	<u>\$ 3,179</u>	<u>\$ 682,831</u>

**VILLAGE OF NEW BOSTON  
SCIOTO COUNTY**

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

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$ 217,179	\$ 92,944	\$ 61,520	\$ 22,515
Municipal Income Taxes	871,923	242,876		
Intergovernmental Receipts	267,433	76,684	6,156	
Charges for Services	4,143			
Fines, Licenses, and Permits	32,759	2,323		
Earnings on Investments	19,075	1,464		
Miscellaneous	186,282	41,493		
	<u>1,598,794</u>	<u>457,784</u>	<u>67,676</u>	<u>22,515</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	368,381	342,732		
Public Health Services	23,258	2,372		
Leisure Time Activities	28,586			
Community Environment	9,731	75,510		
Basic Utility Services	125,571	40,652		
Transportation	45,548	70,626		
General Government	949,585			
Debt Service:				
Principal Payments			44,102	8,084
Interest Payments			10,683	850
Financing and Other Debt-Service Related			1,444	
Capital Outlay	75,748	349		43,981
	<u>1,626,408</u>	<u>532,241</u>	<u>56,229</u>	<u>52,915</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(27,614)</u>	<u>(74,457)</u>	<u>11,447</u>	<u>(30,400)</u>
<b>Other Financing Sources/(Uses):</b>				
Transfers-In		10,000		
Transfers-Out	(10,000)			
Other Financing Sources				
Other Financing Uses				
	<u>(10,000)</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(37,614)	(64,457)	11,447	(30,400)
Fund Cash Balances, January 1	<u>452,466</u>	<u>301,893</u>	<u>33,609</u>	<u>53,785</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 414,852</u></b>	<b><u>\$ 237,436</u></b>	<b><u>\$ 45,056</u></b>	<b><u>\$ 23,385</u></b>

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

Fiduciary Fund Types		Totals (Memorandum Only)
Expendable Trust	Agency Fund	
\$ 18,456	\$	\$ 390,099
		1,137,314
1,846		352,119
		4,143
		35,082
		20,539
5,455		233,230
<u>25,757</u>	<u>0</u>	<u>2,172,526</u>
11,894		723,007
		25,630
		28,586
		85,241
		166,223
		116,174
6,312		955,897
		52,186
		11,533
		1,444
		120,078
<u>18,206</u>	<u>0</u>	<u>2,285,999</u>
<u>7,551</u>	<u>0</u>	<u>(113,473)</u>
		10,000
		(10,000)
	34,555	34,555
	(33,709)	(33,709)
<u>0</u>	<u>846</u>	<u>846</u>
7,551	846	(112,627)
<u>49,505</u>	<u>315</u>	<u>891,573</u>
<b><u>\$ 57,056</u></b>	<b><u>\$ 1,161</u></b>	<b><u>\$ 778,946</u></b>

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**VILLAGE OF NEW BOSTON  
SCIOTO COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of New Boston, Scioto County (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides services that include maintenance of streets and highways, fire protection, police services, garbage services and park operations.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The Village has a repurchase agreement, which is valued at cost.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

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

**VILLAGE OF NEW BOSTON  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**D. Fund Accounting (Continued)**

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

*Safety Tax Fund* – This fund receives municipal income tax money for police salaries.

*Fire Levy Fund* – This fund receives tax levy monies to provide fire protection for Village residents.

**3. Debt Service Fund**

This fund is used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following Debt Service Fund:

*General Obligation Fund* – This fund receives tax levy monies and other intergovernmental revenues for the repayment of the general obligation debt of the Village.

**4. Capital Projects Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through trust funds). The Village had the following Capital Projects Fund:

*Capital Improvement Fund* – This fund receives municipal income tax money to fund capital acquisitions and improvements for the Village.

**5. Fiduciary Funds (Trust and Agency Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Fiduciary Funds:

*Police Pension and Fire Pension Funds* – These funds receive local tax monies to fund the retirement of Village law enforcement officers and firefighters and are classified as Expendable Trust Funds.

*Warren Trust Fund* – This fund receives donations to fund special events and general government operations and is classified as an Expendable Trust Fund.

*Mayor's Court Fund* – This fund accounts for the financial activity of Mayor's Court and is classified as an Agency Fund.

**E. Budgetary Process**

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

**VILLAGE OF NEW BOSTON  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**E. Budgetary Process (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 Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

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

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

	2002	2001
Demand deposits	\$ 578,832	\$ 615,881
Total deposits	578,832	615,881
Repurchase agreement	103,999	163,065
Total investments	103,999	163,065
Total deposits and investments	\$ 682,831	\$ 778,946

**VILLAGE OF NEW BOSTON  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**Investments:** The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,488,195	\$ 1,466,195	\$ (22,000)
Special Revenue	500,388	440,086	(60,302)
Debt Service	67,770	51,959	(15,811)
Capital Projects	23,000	23,444	444
Expendable Trust	25,230	25,832	602
Total	\$ 2,104,583	\$ 2,007,516	\$ (97,067)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,554,384	\$ 1,433,915	\$ 120,469
Special Revenue	610,736	578,927	31,809
Debt Service	48,400	39,663	8,737
Capital Projects	34,000	35,861	(1,861)
Expendable Trust	18,100	17,283	817
Total	\$ 2,265,620	\$ 2,105,649	\$ 159,971

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,478,550	\$ 1,598,794	\$ 120,244
Special Revenue	469,632	467,784	(1,848)
Debt Service	63,000	67,676	4,676
Capital Projects	22,500	22,515	15
Expendable Trust	23,455	25,757	2,302
Total	\$ 2,057,137	\$ 2,182,526	\$ 125,389



**VILLAGE OF NEW BOSTON  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,840,656	\$ 1,636,408	\$ 204,248
Special Revenue	605,454	532,241	73,213
Debt Service	65,600	56,229	9,371
Capital Projects	73,500	52,915	20,585
Expendable Trust	24,330	18,206	6,124
Total	\$ 2,609,540	\$ 2,295,999	\$ 313,541

**4. PROPERTY TAX**

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

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

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

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

**5. LOCAL INCOME TAX**

The Village levies a municipal income tax of 2.5 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.

**6. DEBT**

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$126,958	5.23% - 6.00%

The Village had two outstanding bond issues, one for street paving and one for a garbage packer truck. The street paving bond was issued in 1997 for \$160,000. The garbage packer bond was issued in 2000 for \$74,000. The full faith and credit of the Village has been pledged to repay this debt.

**VILLAGE OF NEW BOSTON  
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**6. DEBT (Continued)**

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

Year Ending December 31:	General Obligation Notes
2003	\$ 37,751
2004	36,915
2005	36,078
2006	17,673
2007	16,837
Total	\$ 145,254

**7. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant and 24% of fire participant wages. OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

**8. RISK MANAGEMENT**

**Risk Pool Membership**

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with approximately 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverage, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages. Effective September 1, 2002, the Plan retains 5% of the premium and losses on the first \$500,000 casualty treaty (up to \$25,000 of a loss) and 5% of the first \$1,000,000 property treaty (up to \$50,000 of a loss). The Plan also participates in a loss corridor in its first \$500,000 casualty reinsurance. The corridor includes losses paid between 55% and 65% of premiums earned under this treaty. (Reinsurance coverage would resume after a paid loss ratio of 65% is exceeded.) The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of New Boston  
Scioto County  
3980 Rhodes Avenue  
New Boston, Ohio 45662

To the Village Council:

We have audited the accompanying financial statements of the Village of New Boston, Scioto County, Ohio (the Village), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 2, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2002-001 and 2002-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 2, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 2, 2003.

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Village of New Boston  
Scioto County  
Independent Accountant's Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
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This report is intended solely for the information and use of management and the Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 2, 2003

**VILLAGE OF NEW BOSTON  
SCIOTO COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2002-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing authority shall make any contract or order an expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon. This Section provides two "exceptions" to the above requirement:

- A. "Then and Now" Certificate – If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that both at the time that the contract or order was made and at the time that the fiscal officer is completing the certification, a sufficient sum was appropriated and free from any previous encumbrances, the Village Council (the taxing authority) may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
  
- B. If the amount involved is less than \$1,000 (which was increased to \$3,000 on April 7, 2003) the fiscal officer may authorize it to be paid without the affirmation of the taxing authority, upon completion of the then and now certificate, provided that the expenditure is otherwise lawful.

Of the expenditures tested, 23% during the period under audit did not have the prior certification of the Village Clerk, and neither of the exceptions noted above were met. This could result in the Village spending more money than what is available.

We recommend the Village obtain the fiscal officer's certification of the availability of funds prior to the commitment being incurred.

**FINDING NUMBER 2002-002**

**Finding for Recovery – Repaid Under Audit**

Ohio Rev. Code Sections 2743.70 and 2949.091 require the Court, in which any person is convicted of or pleads guilty to any offense other than a traffic offense that is not a moving violation, to impose and collect additional costs to be used for the State's Reparations Fund and the State's General Revenue Fund, respectively. All such moneys collected during a month under Ohio Rev. Code Section 2743.70 shall be transmitted on the first business day of each month by the Clerk of the Court to the Treasurer of State and deposited by the Treasurer in the Reparations Fund. All such moneys collected during a month under Ohio Rev. Code Section 2949.091 shall be transmitted on or before the twentieth day of the following month by the Clerk of the Court to the Treasurer of State and deposited by the Treasurer into the General Revenue Fund.

**VILLAGE OF NEW BOSTON  
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**FINDING NUMBER 2002-002 (Continued)**

**Finding for Recovery – Repaid under Audit (Continued)**

During the audit period, the Village Mayor's Court collected, but failed to remit to the State of Ohio, the \$9 in additional costs imposed by Ohio Rev. Code Section 2743.70 and the \$11 in additional costs imposed by Ohio Rev. Code Section 2949.091 for 334 criminal cases heard in the Court in 2001 and 301 criminal cases heard in the Court in 2002. As a result, the Village underpaid the State of Ohio by \$12,700. It was noted that the proper amount of additional court costs imposed by these Sections had been collected and remitted to the State of Ohio for all traffic cases.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for money collected but not remitted is hereby issued against the Village of New Boston General Fund, in the amount of \$12,700, and in favor of the Treasury of the State of Ohio, to the credit of the Reparations Fund for \$5,715, and to the General Revenue Fund for \$6,985.

The Village repaid this Finding for Recovery in full on June 9, 2003, check number 13766, from the Village's General Fund.



**Auditor of State  
Betty Montgomery**

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**VILLAGE OF NEW BOSTON**

**SCIOTO 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 29, 2003**