



Dave Yost • Auditor of State

VILLAGE OF NEW BOSTON
SCIOTO COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

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 Boston, Scioto County, Ohio (the Village) as of and for the years ended December 31, 2016 and 2015.

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 statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village'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's internal control. Accordingly, we express no such 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 opinions.

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

As described in Note 2 of the financial statements, the Village 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 presume they are material.

Though the Village 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 as of December 31, 2016 and 2015, and the changes in financial position 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 cash balances, receipts and disbursements by fund type, and related notes of the Village of New Boston, Scioto County as of December 31, 2016 and 2015, 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 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2018, 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 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's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

January 30, 2018

Village of New Boston, Ohio
Scioto County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$231,139	\$93,747	\$63,931		\$388,817
Municipal Income Tax	1,335,806	342,512		34,256	1,712,574
Intergovernmental	133,285	122,413	10,936	812,641	1,079,275
Charges for Services	28,520	11,810	119,143		159,473
Fines, Licenses and Permits	56,976	3,635			60,611
Earnings on Investments	50	23			73
Miscellaneous	19,104	24,267			43,371
<i>Total Cash Receipts</i>	<u>1,804,880</u>	<u>598,407</u>	<u>194,010</u>	<u>846,897</u>	<u>3,444,194</u>
Cash Disbursements					
Current:					
Security of Persons and Property	417,531	400,496			818,027
Public Health Services	20,467				20,467
Leisure Time Activities	15,361	70,267			85,628
Community Environment		8,159			8,159
Basic Utility Services	198,363	46,582	3,700		248,645
Transportation	50,147	75,923			126,070
General Government	979,834	16,859	1,461	146	998,300
Capital Outlay	11,597		26,168	1,156,280	1,194,045
Debt Service:					
Principal Retirement			145,021	752,748	897,769
Interest and Fiscal Charges			9,595		9,595
<i>Total Cash Disbursements</i>	<u>1,693,300</u>	<u>618,286</u>	<u>185,945</u>	<u>1,909,174</u>	<u>4,406,705</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>111,580</u>	<u>(19,879)</u>	<u>8,065</u>	<u>(1,062,277)</u>	<u>(962,511)</u>
Other Financing Receipts (Disbursements)					
Other Debt Proceeds		8,861	26,168	1,012,105	1,047,134
Sale of Capital Assets	29,977				29,977
Transfers In	22,915	32,256			55,171
Transfers Out	(32,256)	(22,915)			(55,171)
Advances In		55,000			55,000
Advances Out				(55,000)	(55,000)
Other Financing Sources	108,474				108,474
<i>Total Other Financing Receipts (Disbursements)</i>	<u>129,110</u>	<u>73,202</u>	<u>26,168</u>	<u>957,105</u>	<u>1,185,585</u>
<i>Net Change in Fund Cash Balances</i>	240,690	53,323	34,233	(105,172)	223,074
<i>Fund Cash Balances, January 1 - Restated - See Note 14</i>	<u>64,978</u>	<u>164,955</u>	<u>95,652</u>	<u>149,563</u>	<u>475,148</u>
Fund Cash Balances, December 31					
Restricted	0	218,278	129,885	44,391	392,554
Assigned	91,871				91,871
Unassigned (Deficit)	213,797				213,797
<i>Fund Cash Balances, December 31</i>	<u>\$305,668</u>	<u>\$218,278</u>	<u>\$129,885</u>	<u>\$44,391</u>	<u>\$698,222</u>

See accompanying notes to the basic financial statements

Village of New Boston, Ohio

Scioto County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*

Fiduciary Fund Type - Agency Fund

For the Year Ended December 31, 2016

Non-Operating Receipts (Disbursements)

Other Financing Sources	47,228
Other Financing Uses	<u>(47,228)</u>

<i>Total Non-Operating Receipts (Disbursements)</i>	<u>0</u>
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<i>Net Change in Fund Cash Balances</i>	0
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<i>Fund Cash Balances, January 1</i>	<u>(26)</u>
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<i>Fund Cash Balances, December 31</i>	<u><u>(\$26)</u></u>
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See accompanying notes to the basic financial statements

Village of New Boston, Ohio
Scioto County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2015

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$224,250	\$117,424	\$63,268		\$404,942
Municipal Income Tax	1,158,398	305,981		29,884	1,494,263
Intergovernmental	157,250	130,880	10,793	535,224	834,147
Charges for Services	27,582	5,516	103,924		137,022
Fines, Licenses and Permits	53,066	2,540			55,606
Earnings on Investments	29	20			49
Miscellaneous	4,941	23,752			28,693
<i>Total Cash Receipts</i>	<u>1,625,516</u>	<u>586,113</u>	<u>177,985</u>	<u>565,108</u>	<u>2,954,722</u>
Cash Disbursements					
Current:					
Security of Persons and Property	455,714	410,420			866,134
Public Health Services	20,819				20,819
Leisure Time Activities	9,481				9,481
Community Environment		13,821			13,821
Basic Utility Services	175,825	46,436			222,261
Transportation	52,400	71,999		683	125,082
General Government	958,867	46,921	1,000	19,956	1,026,744
Capital Outlay		50,000	10,000	788,002	848,002
Debt Service:					
Principal Retirement			131,345	545,109	676,454
Interest and Fiscal Charges			11,353		11,353
<i>Total Cash Disbursements</i>	<u>1,673,106</u>	<u>639,597</u>	<u>153,698</u>	<u>1,353,750</u>	<u>3,820,151</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(47,590)</u>	<u>(53,484)</u>	<u>24,287</u>	<u>(788,642)</u>	<u>(865,429)</u>
Other Financing Receipts (Disbursements)					
Other Debt Proceeds		17,116		817,738	834,854
Sale of Capital Assets	12,664				12,664
Transfers In		15,500			15,500
Transfers Out	(15,500)				(15,500)
Advances In	41,000	41,000			82,000
Advances Out	(41,000)	(41,000)			(82,000)
Other Financing Sources	34,941				34,941
<i>Total Other Financing Receipts (Disbursements)</i>	<u>32,105</u>	<u>32,616</u>	<u>0</u>	<u>817,738</u>	<u>882,459</u>
<i>Net Change in Fund Cash Balances</i>	<u>(15,485)</u>	<u>(20,868)</u>	<u>24,287</u>	<u>29,096</u>	<u>17,030</u>
<i>Fund Cash Balances, January 1 - Restated - See Note 15</i>	<u>76,482</u>	<u>185,087</u>	<u>71,365</u>	<u>120,467</u>	<u>453,401</u>
Fund Cash Balances, December 31					
Restricted		164,219	95,652	149,563	409,434
Assigned	68,385				68,385
Unassigned (Deficit)	(7,388)				(7,388)
<i>Fund Cash Balances, December 31</i>	<u>\$60,997</u>	<u>\$164,219</u>	<u>\$95,652</u>	<u>\$149,563</u>	<u>\$470,431</u>

See accompanying notes to the basic financial statements

Village of New Boston, Ohio

Scioto County

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

Fiduciary Fund Type - Agency

For the Year Ended December 31, 2015

Non-Operating Receipts (Disbursements)

Other Financing Sources	46,441
Other Financing Uses	<u>(46,441)</u>

<i>Total Non-Operating Receipts (Disbursements)</i>	<u>0</u>
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<i>Net Change in Fund Cash Balances</i>	0
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<i>Fund Cash Balances, January 1</i>	<u>(26)</u>
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<i>Fund Cash Balances, December 31</i>	<u><u>(\$26)</u></u>
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See accompanying notes to the basic financial statements

VILLAGE OF NEW BOSTON, OHIO
SCIOTO COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 1 - Reporting Entity

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

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. Note 7 to the financial statements provides additional information for this entity.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported 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 Fund 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 Fund:

Safety Tax Fund This fund receives municipal income tax monies that are used to pay for security of persons and property within the Village.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

General Obligation Debt Fund This fund receives tax levy monies and other intergovernmental revenues that are used to pay for the repayment of general obligations notes.

Combined Sewer Overflow Reduction Fund This fund receives collections from residents for a user fee associated with the usage of water consumption. Those monies are used to repay Ohio Water Development Authority (OWDA) loans related to Sewer Overflow Projects.

VILLAGE OF NEW BOSTON, OHIO
SCIOTO COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

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 funds:

Other Capital Projects Fund This fund receives municipal income tax monies that are used to pay for various capital projects within the Village.

Combined Sewer Overflow Pollution Fund (Phase I) This fund reflects activity related to Phase I of the Combined Sewer Overflow Project. This project was funded by OWDA loans and grants to pay for capital outlay expenditures related to the sewer overflow project.

Combined Sewer Overflow Pollution Fund (Phase II) This fund reflects activity related to Phase II of the Combined Sewer Overflow Project. This project was funded by OWDA loans and grants to pay for capital outlay expenditures related to the sewer overflow project.

COE Reimbursement Fund (Phase III) This fund reflects activity related to Phase III of the Combined Sewer Overflow Project. This project was funded by OWDA loans and grants to pay for capital outlay expenditures related to the sewer overflow project.

CSO Phase IV Project Fund This fund reflects activity related to Phase IV of the Combined Sewer Overflow Project. This project was funded by OWDA loans and grants to pay for capital outlay expenditures related to the sewer overflow project.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

The Village had no private purpose trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for its Mayor's Court activity.

Basis of Accounting

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 Village 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.

Budgetary Process

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

VILLAGE OF NEW BOSTON, OHIO
SCIOTO COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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.

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 2016 and 2015 budgetary activity appears in Note 3.

Deposits

The Village maintains all cash checking accounts. The Village has no investments.

Capital Assets

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

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.

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:

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

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.

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.

**VILLAGE OF NEW BOSTON, OHIO
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,829,662	\$1,966,246	\$136,584
Special Revenue	908,217	694,524	(213,693)
Debt Service	97,180	220,178	122,998
Capital Projects	2,905,503	1,859,002	(1,046,501)
Total	\$5,740,562	\$4,739,950	(\$1,000,612)

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,842,146	\$1,714,121	(\$128,025)
Special Revenue	768,949	659,728	(109,221)
Debt Service	211,345	177,985	(33,360)
Capital Projects	1,425,347	1,382,846	(42,501)
Total	\$4,247,787	\$3,934,680	(\$313,107)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,867,653	\$1,725,556	\$142,097
Special Revenue	701,795	641,201	60,594
Debt Service	162,369	185,945	(23,576)
Capital Projects	3,051,563	2,363,352	688,211
Total	\$5,783,380	\$4,916,054	\$867,326

**VILLAGE OF NEW BOSTON, OHIO
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)**

Note 3 - Budgetary Activity (Continued)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,898,319	\$1,768,612	\$129,707
Special Revenue	701,214	684,397	16,817
Debt Service	178,698	153,698	25,000
Capital Projects	1,408,328	1,353,750	54,578
Total	\$4,186,559	\$3,960,457	\$226,102

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Obligation Retirement fund by \$23,576 in 2016.

Also, contrary to Ohio law, as of December 31, 2016, Fund 4904 – Combined Sewer Overflow Phase IV Fund, had appropriations in excess of estimated resources in the amount of \$269,390.

Note 4 – Deposits

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

	2016	2015
Demand deposits		
Village Checking Account	\$698,222	\$470,431
Mayor's Court Account	(\$26)	(\$26)
Total deposits	\$698,196	\$470,405

Deposits

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

Note 5 – Taxes

Property Taxes

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.

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

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

VILLAGE OF NEW BOSTON, OHIO
SCIOTO COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)

Note 5 – Taxes (Continued)

Income Taxes

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.

Note 6 – Interfund Balances

Advances

Outstanding advances at December 31, 2016, consisted of \$55,000 advanced to the Tennis Court Renovation Fund from the Other Capital Projects Fund to provide working capital for tennis court renovation project.

Note 7 - Risk Management

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2016 and 2015, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016 and 2015.

**VILLAGE OF NEW BOSTON, OHIO
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)**

Note 7 - Risk Management (Continued)

	<u>2016</u>	<u>2015</u>
Assets	\$42,182,281	\$38,307,677
Liabilities	<u>(13,396,700)</u>	<u>(12,759,127)</u>
Net Position	<u>\$28,785,581</u>	<u>\$25,548,550</u>

At December 31, 2016 and 2015, respectively, the liabilities above include approximately 12.0 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million and \$11 million of unpaid claims to be billed. The Pool's membership increased to 520 members in 2016 and to 499 members in 2015. These amounts will be included in future contributions from members when the related claims are due for payment.

As of December 31, 2016 and 2015, respectively, the Village's share of these unpaid claims collectible in future years is approximately \$35,981 and \$33,490.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>
2016 - \$57,113
2015 - \$53,158

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. The Village contributed 10% of OPERS members' gross salaries on their behalf, except for elected officials and part time employees who contributed the 10% their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries for the employer share. The Village has paid all contributions required through December 31, 2016 and 2015.

**VILLAGE OF NEW BOSTON, OHIO
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)**

Note 8 - Defined Benefit Pension Plans (Continued)

Ohio Police and Fire Retirement System

Village's certified Fire Fighters and full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. From January 1, 2015 through June 30, 2015, the Village contributed 11.5% of the wages on behalf of the OP&F participants. From July 1, 2015 through December 31, 2016, the Village contributed 12.25% of the wages on behalf of the OP&F participants.

For 2016 and 2015, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. The Village has paid all contributions required through December 31, 2016 and 2015.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. In 2016 and 2015, OPERS contributed 2 percent of the employer contribution to fund these benefits, and OP&F contributed 0.5 percent to fund these benefits.

Note 10 – Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Floodwall Improvement Bonds	\$170,069	3.75%
Equipment Loan	\$76,937	2.63%
John Deere Tractor Loan	\$23,987	0.00%
OWDA Loan #6631	\$1,211,860	0.00%
OWDA Loan #6875	\$336,816	0.00%
OWDA Loan #7484	\$86,144	0.00%
Total	\$1,905,813	

The Floodwall Improvement Bonds were issued in 2011 for constructing floodwall improvements. The Bonds were issued at an interest rate of 3.75%, with principal and interest payments due monthly.

The Equipment Loan was for the purchase of a garbage truck and a dump truck. The loan was issued in 2014 for \$159,190, with an interest rate of 2.63%, with principal and interest payments of \$2,837 due monthly. The faith, credit and revenue of the Village have been pledged for payment.

The John Deere Tractor Loan was for the purchase of a tractor. The loan was issued in 2016 for \$26,168, with an interest rate of 0%, with principal payments of \$463.13 due monthly. The faith, credit and revenue of the Village have been pledged for payment.

**VILLAGE OF NEW BOSTON, OHIO
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)**

Note 10 – Debt (Continued)

The Ohio Water Development Authority Loan #6631 was for the sanitary sewer relining construction project phase 1. The Village maintains and operates a combined sewer system that flows to the City of Portsmouth’s Waste Water Treatment Plant. The project includes rehabilitation of the current combined sewer system and is the first phase of repair and replacement necessary to begin eliminating infiltration and inflow. The loan was issued in 2014, with an interest rate of 0%, with semi-annual payments for 20 years, with the initial payment due on July 1, 2015. The payments are to be made solely from pledged revenue consisting of a wastewater service charge billed to customers by the City of Portsmouth and remitted by the City of Portsmouth to the Village.

The Ohio Water Development Authority Loan #6875 was for the combined sewer separation construction project phase 2. The Village maintains and operates a combined sewer system that flows to the City of Portsmouth’s Waste Water Treatment Plant. The project consists of designing and constructing a storm sewer to separate storm water and creek water sources from the combined sewer. The loan was issued in 2015, with an interest rate of 0%, with semi-annual payments for 20 years.

The Ohio Water Development Authority Loan #7484 was for the combined sewer separation construction project phase 4. The Village maintains and operates a combined sewer system that flows to the City of Portsmouth’s Waste Water Treatment Plant. The project consists of designing and constructing a storm sewer to separate storm water and creek water sources from the combined sewer. The loan was issued in 2015, with an interest rate of 0%, with semi-annual payments for 20 years.

Amortization

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

Year ending December 31:	Floodwall Improvement	Equipment Loan	John Deere Tractor Loan	OWDA Loan #6631
2017	36,022	34,046	5,234	146,796
2018	36,022	34,046	5,234	60,861
2019	36,022	11,349	5,234	60,861
2020	36,022		5,234	60,861
2021	36,022		3,051	60,861
2022-2026	9,005			304,305
2027-2031				304,305
2032-2036				213,010
Total	<u>\$189,115</u>	<u>\$79,441</u>	<u>\$23,987</u>	<u>\$1,211,860</u>

OWDA has not finalized loan #6875 or #7484 and as such, an amortization schedule has not been prepared for these.

Note 11 – Construction and Contractual Commitments

The Combined Sewer Overflow Reduction Fund Phase III Project had a contract with Fields Excavating. The original contract amount after change orders was \$810,527. Payments made through December 31, 2016 was \$617,343. Thus, leaving a contractual commitment amount of \$193,184 left to be paid.

**VILLAGE OF NEW BOSTON, OHIO
SCIOTO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)**

Note 12 – Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 13 – Subsequent Events

On April 7, 2017, Village Council approved Resolution #5-2017. This was to approve entering into an agreement with OWDA for the Water Pollution Loan Fund Agreement for Phase VI of Combined Sewer Overflow Project.

Note 14 – Restatement of Fund Balance – January 1, 2016

The January 1, 2016 balances were restated for the General and Special Revenue Funds due to a prior period adjustment being posted by the Village Clerk/Treasurer to correct for prior year errors identified and for certain checks that cleared in error in system.

Fund Type	Balance at December 31, 2015	Restatement Amount	Balance at January 1, 2016
General	\$60,997	\$3,981	\$64,978
Special Revenue	\$164,219	\$736	\$164,955

Note 15 – Restatement of Fund Balance – January 1, 2015

In addition to the restatement noted above in Note 14, there was also a change in fund classification from December 31, 2014 to January 1, 2015. The Village had two funds that were previously classified as Private Purpose Trust Funds; however, it was determined that there was not basis for this classification (i.e. no trust agreements existed), and as such, these two funds were classified as Special Revenue.

Fund Type	Balance at December 31, 2014	Restatement Amount	Balance at January 1, 2015
Private Purpose Trust	\$11,941	(11,941)	\$0
Special Revenue	\$173,146	\$11,941	\$185,087



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 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 Boston, Scioto County, (the Village) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated January 30, 2018 wherein we noted the Village 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's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village'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 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'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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-003 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village'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 statement 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2016-001 and 2016-002.

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

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's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

January 30, 2018

**VILLAGE OF NEW BOSTON
SCIOTO COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2016-001

Noncompliance

Ohio Rev. Code § 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

The following funds had appropriations in excess of estimated resources at year end:

As of December 31, 2016:

Fund	Appropriations	Estimated Resources	Difference
CSO Reduction Fund (2907)	\$86,356	\$1,637	\$84,719
Tennis Court Fund (2910)	\$99,512	\$95,000	\$4,512
CSO Phase IV Fund (4904)	\$452,636	\$183,246	\$269,390

As of December 31, 2015:

Fund	Appropriations	Estimated Resources	Difference
General	\$1,869,081	\$1,842,146	\$26,935
CSO Feasibility Fund (2062)	\$90,000	\$50,000	\$40,000

We recommend the Village Clerk/Treasurer monitor these budgetary items to ensure appropriations do not exceed estimated resources at any point in the year. Failure to monitor budgetary items could result in overspending or negative fund balances.

Officials' Response:

The Village of New Boston will make every effort to improve monitoring of budgetary compliance.

FINDING NUMBER 2016-002

Noncompliance

Ohio Rev. Code § 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated.

Ohio Rev. Code § 5705.42, also states that Federal and State grants or loans are deemed appropriated for such purpose by the taxing authority as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection .

**FINDING NUMBER 2016-002
 (Continued)**

The following instance was noted where budgetary expenditures exceeded appropriations:
 As of December 31, 2016:

Fund	Appropriation	Budgetary Expenditures	Difference
General Obligation Retirement Fund (3101)	\$76,013	\$99,589	\$23,576

In addition to this, we also noted that the Village Clerk/Treasurer did not record OWDA appropriation amounts in the UAN accounting system as required by Ohio Rev. Code 5705.42. These were considered appropriated, but were not properly reported in the UAN accounting system. The total amount of unrecorded appropriations in the UAN accounting system for fiscal year 2016 and 2015 were \$752,748 and \$550,109, respectively.

The noncompliance noted above was a result of the Village not properly appropriating sufficient funds. This could result in improper expenditure of funds.

We recommend Village Council monitor appropriations versus budgetary expenditures and increase appropriations if anticipated increased costs are known and funds are available.

Officials' Response:

The Village of New Boston will make every effort to improve monitoring of budgetary compliance.

FINDING NUMBER 2016-003

Material Weakness

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements.

Sound financial reporting is the responsibility of the Village Clerk/Treasurer and Village Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Village misclassified and misposted various receipts and disbursements in the annual financial report submitted to the Auditor of State for fiscal years 2016 and 2015 as follows:

On the December 31, 2016 financial statements:

- Employees of the Village pay a portion of their health care insurance premiums. The Village writes a check to cover these premiums. This overstated Miscellaneous Revenue and General Government Expenditures in the General Fund in the amount of \$36,305.
- In the General Fund, \$16,000 of Intergovernmental Revenues were misclassified Miscellaneous Revenue.
- The Village received \$17,239 from Insurance Proceeds in the General Fund. The Village classified them as Miscellaneous Revenue, but the receipts should have been classified as an Other Financing Source.

FINDING NUMBER 2016-003
(Continued)

- The Village received \$7,421 from Insurance Proceeds in the General Fund. The Village classified them as a Special Item, but the receipts should have been classified as an Other Financing Source.
- The Village received \$29,977 for a sale of a building. The Village classified this receipt as an Other Financing Source in the General Fund, but the Sale of Asset classification would be more descriptive to the user of the financial statements.
- First and second half homestead and rollback were recorded entirely in the General Fund in the amount of \$8,149 instead of being allocated: \$3,191 of these monies should have been posted in Fund 2902, Fire Levy Fund as Intergovernmental Revenue and \$4,988 should have been posted to Fund 3101, General Obligation Retirement Fund as Intergovernmental Revenue.
- In the General Fund, \$91,871 of Assigned Fund Balance was misclassified as Unassigned Fund Balance.
- In Fund 2907, Combined Sewer Overflow Reduction Fund, \$119,144 of Charges for Services from the City of Portsmouth were misclassified as Special Assessments.
- The Village received additional Ohio Water Development Authority (OWDA) loan proceeds. These loan proceeds were recorded as Intergovernmental Revenue in Fund 2403, Combined Sewer Overflow Pollution Fund (Phase I) in the amount of \$104,506, in Fund 2404, Combined Sewer Overflow Pollution Fund (Phase II) in the amount of \$138,471, in Fund 2909, COE Reimbursement Phase III Fund in the amount of \$499,738, and in Fund 4904, CSO Phase IV Project Fund in the amount of \$269,390. These proceeds should have been recorded as Other Debt Proceeds.
- On-behalf payments on OWDA loans were not recorded in the accounting system as Intergovernmental Revenue and Principal Retirement in the following funds and in the following amounts: Fund 2403, Combined Sewer Overflow Pollution Fund (Phase I) in the amount of \$60,368; Fund 2404, Combined Sewer Overflow Pollution Fund (Phase II) in the amount of \$9,396; Fund 2909, COE Reimbursement Phase III Fund in the amount of \$499,738; and Fund 4904, CSO Phase IV Project Fund in the amount of \$183,246.
- In Fund 2907, Combined Sewer Overflow Reduction Fund, debt payments of \$82,656 were classified as Basic Utility Services instead of Principal Retirement.
- Tangible personal property reimbursement revenues of \$5,299 in Fund 3101, General Obligation Retirement Fund, were classified as Property Tax Revenue instead of Intergovernmental Revenue.
- The Village purchased a John Deere Tractor. The purchase and the related loan proceeds of \$26,168 were not posted in Fund 3101, General Obligation Retirement Fund. These items should have been posted as Loan Proceeds and Capital Outlay.
- The Village recorded capital project expenditures as Basic Utility Service Expenditures instead of as Capital Outlay in the following funds and in the following amounts: Fund 2403, Combined Sewer Overflow Pollution Fund (Phase I) in the amount of \$106,143; Fund 2404, Combined Sewer Overflow Pollution Fund (Phase II) in the amount of \$138,471; and Fund 2909, COE Reimbursement Phase III Fund in the amount of \$602,351.
- In addition to the adjustments listed above, we also identified additional misstatements ranging from \$18 to \$2,604 that we have brought to the Village's attention.

FINDING NUMBER 2016-003
(Continued)

On the December 31, 2015 financial statements:

- Payroll expenditures of \$5,997 should have been recorded as General Government Expenditures in the General Fund instead of in the Community Development Fund.
- Employees of the Village pay a portion of their health care insurance premiums. The Village writes a check to cover these premiums. This overstated Miscellaneous Revenue and General Government Expenditures in the General Fund in the amount of \$36,603.
- In the General Fund, \$16,961 of Intergovernmental Revenues were misclassified Miscellaneous Revenue.
- The Village received \$33,971 from Insurance Proceeds in the General Fund. The Village classified them as Miscellaneous Revenue, but the receipts should have been classified as an Other Financing Source.
- First and second half homestead and rollback was recorded entirely in the General Fund in the amount of \$9,380 instead of being allocated: \$3,206 of these monies should have been posted in Fund 2902, Fire Levy Fund as Intergovernmental Revenue and \$4,785 should have been posted to Fund 3101, General Obligation Retirement Fund as Intergovernmental Revenue. The remaining amounts were also adjusted.
- In the General Fund, \$68,385 of Assigned Fund Balance was misclassified as Unassigned Fund Balance.
- In Fund 2907, Combined Sewer Overflow Reduction Fund, debt payments of \$73,035 were classified as Basic Utility Services instead of Principal Retirement.
- In Fund 2907, Combined Sewer Overflow Reduction Fund, \$103,924 of Charges for Services from the City of Portsmouth were misclassified as Special Assessments.
- \$50,000 from a CSO Feasibility grant in Fund 2062, CSO Feasibility Study Fund was classified as Special Assessments instead of Intergovernmental Revenue.
- The Village received additional Ohio Water Development Authority (OWDA) loan proceeds. These loan proceeds were recorded as Intergovernmental Revenue in Fund 2403, Combined Sewer Overflow Pollution Fund (Phase I) in the amount of \$289,357 and in Fund 2404, Combined Sewer Overflow Pollution Fund (Phase II) in the amount of \$455,303. These proceeds should have been recorded as Other Debt Proceeds.
- On-behalf payments on OWDA loans were not recorded in the accounting system as Intergovernmental Revenue and Principal Retirement in the following funds and in the following amounts: Fund 2403, Combined Sewer Overflow Pollution Fund (Phase I) in the amount of \$166,012 and Fund 2404, Combined Sewer Overflow Pollution Fund (Phase II) in the amount of \$311,013. In addition to this, \$68,078 of Loan Proceeds and Principal Retirement were also not posted to the accounting system for Fund 2404, Combined Sewer Overflow Pollution Fund (Phase II).
- In Fund 2404, Combined Sewer Overflow Pollution Fund (Phase II), \$5,000 of Loan Proceeds and Capital Outlay were not posted.

**FINDING NUMBER 2016-003
 (Continued)**

- The Village recorded capital project expenditures as Basic Utility Service Expenditures instead of as Capital Outlay in the following funds and in the following amounts: Fund 2403, Combined Sewer Overflow Pollution Fund (Phase I) in the amount of \$327,699; Fund 2062, CSO Feasibility Study Fund in the amount of \$50,000; Fund 2404, Combined Sewer Overflow Pollution Fund (Phase II) in the amount of \$455,303; Fund 2904, Flood Defense Fund in the amount of \$13,592; and Fund 2907, Combined Sewer Overflow Reduction Fund in the amount of \$10,000;
- Tangible personal property reimbursements of \$4,650 were posted as Taxes instead of Intergovernmental Revenue. These reimbursements should have also been posted in Fund 3101, General Obligation Retirement Fund, but instead were posted in the General Fund and Fund 2902, Fire Levy Fund.
- In addition to the adjustments listed above, we also identified additional misstatements ranging from \$116 to \$2,974 that we brought to the Village's attention.

In addition to the above adjustments, the Village also reported some of its funds as incorrect fund classifications on financial statements or omitted them entirely. These were as follows:

Fund	Village: <u>Classified as</u>	Correct: <u>Classification</u>
2907- Combined Sewer Overflow Reduction Fund	Special Revenue Fund	Debt Service Fund
2403- Combined Sewer Overflow Pollution Phase I Fund	Special Revenue Fund	Capital Projects Fund
2404- Combined Sewer Overflow Pollution Phase II Fund	Special Revenue Fund	Capital Projects Fund
2405- Combined Sewer Overflow Pollution Phase III Fund	Special Revenue Fund	Capital Projects Fund
2909- COE Reimbursement Phase III Fund	Special Revenue Fund	Capital Projects Fund
9976- Warren Trust Fund	Private Purpose Trust Fund	Special Revenue Fund
9977- Village of New Boston Christmas Fund	Private Purpose Trust Fund	Special Revenue Fund
Mayor's Court Fund	Not reported on Financial Statements	Agency Fund

The Village has adjusted the financial statements and accounting records, where appropriate, to correct these errors.

To ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the statements and footnotes by the Village Clerk/Treasurer and Village Council to identify and correct errors and omissions. We also recommend the Village Clerk/Treasurer take care in posting transactions in order to ensure the year-end financial statements reflect the appropriate activity for the Village's receipts and expenditures.

**FINDING NUMBER 2016-003
(Continued)**

Officials' Response:

The Village of New Boston will make every effort to improve on making correct postings to funds and comply with all other rules of accounting.

VILLAGE OF NEW BOSTON
SCIOTO COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2016 AND 2015

Finding Number	Finding Summary	Status	Additional Information
2014-001	Sound Financial Reporting	Not Corrected	The Village of New Boston will make every effort to improve on making correct postings to funds and comply with all other rules of accounting.

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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
FEBRUARY 13, 2018