



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF NEW BOSTON
SCIOTO COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2023.....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2023.....	6
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2023.....	7
Notes to the Financial Statements For the Year Ended December 31, 2023.....	9
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2022.....	19
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) Proprietary Fund Type For the Year Ended December 31, 2022.....	20
Combined Statement of Additions, Deductions, and Changes in Fund Balances (Regulatory Cash Basis) Fiduciary Fund Type For the Year Ended December 31, 2022.....	21
Notes to the Financial Statements For the Year Ended December 31, 2022.....	23
Required Supplementary Information:	
Schedule of Expenditures of Federal Awards.....	33
Notes to the Schedule of Expenditures of Federal Awards	34
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	35

VILLAGE OF NEW BOSTON
SCIOTO COUNTY

TABLE OF CONTENTS
(Continued)

TITLE	PAGE
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	37
Schedule of Findings	41
Prepared by Management:	
Summary Schedule of Prior Audit Findings	47
Corrective Action Plan.....	49

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of New Boston, Scioto County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2023 and 2022, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 14 to the 2022 financial statements, the 2022 financial statements have been restated as a result of adjusting the classification of all funds related to sewer activities in the Special Revenue, Debt Service, Capital Projects and Enterprise Funds. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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.



Keith Faber
Auditor of State
Columbus, Ohio
August 29, 2024

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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, 2023

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$282,559	\$116,116	\$90,909	\$0	\$489,584
Municipal Income Tax	1,814,548	465,061	0	46,735	2,326,344
Intergovernmental	164,506	305,310	\$4,812	\$105,304	579,932
Special Assessments	19,000	0	0	0	19,000
Charges for Services	40,340	0	0	0	40,340
Fines, Licenses and Permits	99,642	5,114	0	0	104,756
Earnings on Investments	1,679	575	0	0	2,254
Miscellaneous	95,848	19,968	0	0	115,816
<i>Total Cash Receipts</i>	<u>2,518,122</u>	<u>912,144</u>	<u>95,721</u>	<u>152,039</u>	<u>3,678,026</u>
Cash Disbursements					
Current:					
Security of Persons and Property	803,481	863,651	0	0	1,667,132
Public Health Services	20,297	0	0	0	20,297
Leisure Time Activities	87,217	22,259	0	0	109,476
Basic Utility Services	296,568	49,509	0	0	346,077
Transportation	79,965	126,307	0	0	206,272
General Government	1,164,982	5,957	1,956	469	1,173,364
Capital Outlay	0	47,757	0	473,600	521,357
Debt Service:					
Principal Retirement	0	0	84,902	0	84,902
Interest and Fiscal Charges	0	0	14,310	0	14,310
<i>Total Cash Disbursements</i>	<u>2,452,510</u>	<u>1,115,440</u>	<u>101,168</u>	<u>474,069</u>	<u>4,143,187</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>65,612</u>	<u>(203,296)</u>	<u>(5,447)</u>	<u>(322,030)</u>	<u>(465,161)</u>
Other Financing Receipts (Disbursements)					
Loans Issued	0	0	0	309,027	309,027
Other Debt Proceeds	0	1,200	0	0	1,200
Sale of Capital Assets	4,231	0	0	0	4,231
Transfers In	0	30,905	0	0	30,905
Transfers Out	(30,905)	0	0	0	(30,905)
Other Financing Sources	0	8,008	0	0	8,008
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(26,674)</u>	<u>40,113</u>	<u>0</u>	<u>309,027</u>	<u>322,466</u>
<i>Net Change in Fund Cash Balances</i>	<u>38,938</u>	<u>(163,183)</u>	<u>(5,447)</u>	<u>(13,003)</u>	<u>(142,695)</u>
<i>Fund Cash Balances, January 1</i>	<u>416,938</u>	<u>413,110</u>	<u>64,114</u>	<u>80,645</u>	<u>974,807</u>
<i>Fund Cash Balances, December 31</i>	<u>\$455,876</u>	<u>\$249,927</u>	<u>\$58,667</u>	<u>\$67,642</u>	<u>\$832,112</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)
Proprietary Fund Type
For the Year Ended December 31, 2023

	Enterprise
Operating Cash Receipts	
Charges for Services	\$147,008
<i>Total Operating Cash Receipts</i>	147,008
Operating Cash Disbursements	
Personal Services	3,005
Supplies and Materials	80,790
<i>Total Operating Cash Disbursements</i>	83,795
<i>Operating Income (Loss)</i>	63,213
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	936,155
Capital Outlay	(639,643)
Principal Retirement	(166,126)
<i>Total Non-Operating Receipts (Disbursements)</i>	130,386
<i>Fund Cash Balances, January 1</i>	376,894
<i>Fund Cash Balances, December 31</i>	\$570,493

See accompanying notes to the basic financial statements

Village of New Boston, Ohio
Scioto County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2023

	<u>Custodial</u>	
	<u>Mayor's Court</u>	<u>Other Custodial</u>
Additions		
Amounts Received as Fiscal Agent		\$28,533
Fines, Licenses, and Permits for Distribution	78,539	
<i>Total Additions</i>	<u>78,539</u>	<u>28,533</u>
Deductions		
Distributions as Fiscal Agent		28,533
Distributions to Governments	78,539	
<i>Total Deductions</i>	<u>78,539</u>	<u>28,533</u>
<i>Net Change in Fund Balances</i>	0	0
<i>Fund Cash Balances, January 1</i>	<u>(26)</u>	<u>0</u>
<i>Fund Cash Balances, December 31</i>	<u>(\$26)</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

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Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 general governmental services, maintenance of Village roads, sewer utilities, refuse service, fire protection, police services, and park operations.

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

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village also has a related organization. Note 13 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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 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 The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

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 Fund:

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

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:

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

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 Fund:

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents within the Village.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Village had no trust funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for Mayor's Court Activity and a Fire Loss Fund.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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 (C). 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 (C) permit.

Budgetary Process

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

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2023 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.

Leases

The Village is the lessee in various leases (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$8,008 are reflected as other financing sources in the OneOhio Special Revenue Fund in the accompanying financial statements.

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:

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,352,680	\$2,522,353	\$169,673
Special Revenue	867,565	952,257	84,692
Debt Service	79,000	95,721	16,721
Capital Projects	807,107	461,066	(346,041)
Enterprise	4,955,543	1,083,163	(3,872,380)
Total	\$9,061,895	\$5,114,560	(\$3,947,335)

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2023

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,602,064	\$2,514,544	\$87,520
Special Revenue	1,176,845	1,133,179	43,666
Debt Service	106,347	101,168	5,179
Capital Projects	878,368	474,069	404,299
Enterprise	6,439,061	1,249,855	5,189,206
Total	\$11,202,685	\$5,472,815	\$5,729,870

Note 4 – Deposits

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

	2023
Demand deposits	\$1,402,605
Mayor's Court Account (Not held in Pool)	(26)
Total Deposits	1,402,579

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the village is holding \$0 in unremitted employee payroll withholdings.

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

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 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (Village's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2023</u>
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

Village's full-time Police Officers belong to the Ohio 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2023.

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
OWDA Loan (6631)	\$669,468	0.00%
OWDA Loan (6875)	\$240,515	0.00%
OWDA Loan (7484)	\$216,721	0.00%
OWDA Loan (7847)	\$190,346	0.00%
Administrator & Fire Chief Vehicles	\$12,345	3.61%
Community Improvement Bonds	215,881	1.91%
Police Cruiser Lease Purchase	117,758	3.895%
Garbage Truck Loan	244,578	5.570%
Total	\$1,907,612	

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.

The Ohio Water Development Authority Loan #7847 was for the combined sewer separation construction, project phase VII. The Village maintains and operates a combined sewer system that flows to the City of Portsmouth’s Waste Water Treatment Plant. The loan was issued in 2018 with an interest rate of 0%, with semi-annual payments for 20 years.

The Community Improvement Bonds were issued in January 2021 for the purpose of road resurfacing, upgrades to the 911 Center and upgrades to the playground. The bonds were issued through US Bank at an interest rate of 1.91% with principal payments due annually and interest payments due bi-annually.

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Finance Purchases

The Administrator & Fire Chief vehicles lease was for the purchase of two trucks (one for the Administrator and one for the Fire Chief). The lease was issued by US Bancorp Government Leasing and Financing, Inc., in 2019 for a total of \$58,416. The lease was issued with an interest rate of 3.61% and monthly payments of \$1,076.38 for 5 years.

Police Cruiser Lease Purchase – The Police Cruiser Lease Purchase Agreement was financed through U.S. Bancorp Government Leasing and Finance Inc. The loan was issued in 2022 for the purchase of police cruisers. The loan is scheduled to mature in 2026.

Garbage Truck Lease Purchase – The Garbage Truck Lease Purchase Agreement was financed through Bank Capital Services. The loan is for a new 2023 for the purchase of police cruisers. The loan is scheduled to mature in 2030.

Amortization

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

Year Ending December 31:	OWDA Loan #6631	OWDA Loan #6875	OWDA Loan #7484	OWDA Loan #7847	Administrator & Fire Chief Vehicles	Community Improvement Bond	Police Cruisers	Garbage Truck
2024	30,431	9,621	7,740	6,345	12,345	33,241	42,167	43,553
2025	60,861	19,241	15,480	12,690		33,241	42,167	43,553
2026	60,861	19,241	15,480	12,690		33,241	42,167	43,553
2027	60,861	19,241	15,480	12,690		33,241		43,553
2028	60,861	19,241	15,480	12,690		33,241		43,553
2029-2033	304,305	96,205	77,400	63,450		66,482		76,218
2034-2038	91,288	57,725	69,661	63,450				
2039-2043				6,341				
Total	\$669,468	\$240,515	\$216,721	\$190,346	\$12,345	\$232,687	\$126,501	\$293,983

Note 10 – Contingent Liabilities

The Village was involved in a lawsuit that was settled in February 2024. The resolution of this matter did 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.

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total</u>
Outstanding Encumbrances	31,129	17,739	0	0	360,291	409,159

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12– Compliance

Contrary to Ohio law, the Village's appropriations exceeded the amount certified as available by the budget commission in the CSO Phase 8B Fund and the Community Development Fund by \$1,180,542 and \$6,395. respectively.

Note 13 – Related Organization

The Village has a related organization – the New Boston Community Improvement Corporation (CIC). The Village appoints the voting majority of this Board but the Village is not financially accountable for the CIC.

In 2023, the CIC did transfer two parcels of land that were originally the Village’s back to the Village with no change of value or sales cost involved. In addition, the CIC sold a piece of property in 2023 and remitted \$27,483 of those proceeds to the Village.

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, 2022

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$272,223	\$117,803	\$77,204	\$0	\$467,230
Municipal Income Tax	1,697,845	436,225	0	43,575	2,177,645
Intergovernmental	160,768	373,886	\$4,401	0	539,055
Charges for Services	26,394	220	0	0	26,614
Fines, Licenses and Permits	64,253	1,624	0	0	65,877
Earnings on Investments	152	48	0	0	200
Miscellaneous	84,220	25,404	0	0	109,624
<i>Total Cash Receipts</i>	<u>2,305,855</u>	<u>955,210</u>	<u>81,605</u>	<u>43,575</u>	<u>3,386,245</u>
Cash Disbursements					
Current:					
Security of Persons and Property	710,454	655,954	0	0	1,366,408
Public Health Services	15,927	0	0	0	15,927
Leisure Time Activities	203,923	29,309	0	0	233,232
Community Environment	0	645	0	0	645
Basic Utility Services	307,624	39,076	0	0	346,700
Transportation	74,296	209,704	0	0	284,000
General Government	1,120,351	13,264	1,617	1,075	1,136,307
Capital Outlay	19,000	22,000	0	122,383	163,383
Debt Service:					
Principal Retirement	0	0	51,207	0	51,207
Interest and Fiscal Charges	0	0	4,544	0	4,544
<i>Total Cash Disbursements</i>	<u>2,451,575</u>	<u>969,952</u>	<u>57,368</u>	<u>123,458</u>	<u>3,602,353</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(145,720)</u>	<u>(14,742)</u>	<u>24,237</u>	<u>(79,883)</u>	<u>(216,108)</u>
Other Financing Receipts (Disbursements)					
Loans Issued	0	0	0	97,382	97,382
Other Debt Proceeds	0	1,240	0	0	1,240
Sale of Capital Assets	8,015	0	0	0	8,015
Transfers In	0	13,169	0	0	13,169
Transfers Out	(13,169)	0	0	0	(13,169)
Other Financing Uses	(80,000)	(49,470)	0	0	(129,470)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(85,154)</u>	<u>(35,061)</u>	<u>0</u>	<u>97,382</u>	<u>(22,833)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(230,874)</u>	<u>(49,803)</u>	<u>24,237</u>	<u>17,499</u>	<u>(238,941)</u>
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>647,812</u>	<u>462,913</u>	<u>39,877</u>	<u>63,146</u>	<u>1,213,748</u>
<i>Fund Cash Balances, December 31</i>	<u>\$416,938</u>	<u>\$413,110</u>	<u>\$64,114</u>	<u>\$80,645</u>	<u>\$974,807</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)
Proprietary Fund Type
For the Year Ended December 31, 2022

	Enterprise
Operating Cash Receipts	
Charges for Services	\$109,802
<i>Total Operating Cash Receipts</i>	109,802
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	2,414,704
Capital Outlay	(2,282,379)
Principal Retirement	(108,272)
<i>Total Non-Operating Receipts (Disbursements)</i>	24,053
<i>Net Change in Fund Cash Balances</i>	133,855
<i>Fund Cash Balances, January 1 (Restated)</i>	243,039
<i>Fund Cash Balances, December 31</i>	\$376,894

See accompanying notes to the basic financial statements

Village of New Boston, Ohio
Scioto County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2022

	Custodial
	Mayor's Court
Additions	
Fines, Licenses, and Permits for Distribution	\$25,661
<i>Total Additions</i>	25,661
Deductions	
Distributions to Governments	25,661
<i>Total Deductions</i>	25,661
<i>Net Change in Fund Balances</i>	0
<i>Fund Cash Balances, January 1</i>	(26)
<i>Fund Cash Balances, December 31</i>	(\$26)
<i>See accompanying notes to the basic financial statements</i>	

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Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 general governmental services, maintenance of Village roads, sewer utilities, refuse service, fire protection, police services, and park operations.

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

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village also has a related organization. Note 15 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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 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 The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

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 Fund:

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

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:

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

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 Fund:

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents within the Village.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Village had no trust funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for Mayor's Court Activity and a Fire Loss Fund.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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 (C). 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 (C) permit.

Budgetary Process

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

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 2022 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.

Leases

The Village is the lessee in various leases (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,090,500	\$2,313,870	\$223,370
Special Revenue	882,461	969,619	87,158
Debt Service	78,000	81,605	3,605
Capital Projects	189,419	140,957	(48,462)
Enterprise	4,130,000	2,524,506	(1,605,494)
Total	\$7,370,380	\$6,030,557	(\$1,339,823)

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2022

2022 Budgeted vs. Actual Budgetary Basiss Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,649,405	\$2,573,879	\$75,526
Special Revenue	1,172,996	1,078,567	\$94,429
Debt Service	88,900	57,368	\$31,532
Capital Projects	212,794	180,495	\$32,299
Enterprise	3,707,078	3,293,805	\$413,273
Total	\$7,831,173	\$7,184,114	\$647,059

Note 4 – Deposits

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

	<u>2022</u>
Demand deposits	\$1,351,701
Mayor's Court Account (Not held in Pool)	(\$26)
Total Deposits	<u>\$1,351,675</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the village is holding \$0 in unremitted employee payroll withholdings.

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

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 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (Village's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2022</u>
Cash and investments	\$ 42,310,794
Actuarial liabilities	\$15,724,479

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

The Village's certified Fire Fighters and full-time Police Officers belong to the Ohio 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages. The Village has paid all contributions required through December 31, 2022.

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Note 8 – 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. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
OWDA Loan (6631)	\$730,329	0.00%
OWDA Loan (6875)	\$259,757	0.00%
OWDA Loan (7484)	\$232,201	0.00%
OWDA Loan (7847)	\$203,035	0.00%
Administrator & Fire Chief Vehicles	\$20,599	3.61%
Community Improvement Bonds	244,453	1.91%
Police Cruiser Lease Purchase	97,382	3.895%
Total	\$1,787,756	

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.

The Ohio Water Development Authority Loan #7847 was for the combined sewer separation construction, project phase VII. The Village maintains and operates a combined sewer system that flows to the City of Portsmouth’s Waste Water Treatment Plant. The loan was issued in 2018 with an interest rate of 0%, with semi-annual payments for 20 years.

The Community Improvement Bonds were issued in January 2021 for the purpose of road resurfacing, upgrades to the 911 Center and upgrades to the playground. The bonds were issued through US Bank at an interest rate of 1.91% with principal payments due annually and interest payments due bi-annually.

Finance Purchases

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2022

The Administrator & Fire Chief vehicles lease was for the purchase of two trucks (one for the Administrator and one for the Fire Chief). The lease was issued by US Bancorp Government Leasing and Financing, Inc., in 2019 for a total of \$58,416. The lease was issued with an interest rate of 3.61% and monthly payments of \$1,076.38 for 5 years.

Police Cruiser Loan – The Police Cruiser Lease Purchase Agreement was financed through U.S. Bancorp Government Leasing and Finance Inc. The loan is for a new 2022 for the purchase of police cruisers. The loan is scheduled to mature in 2026.

Amortization

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

Year Ending December 31:	OWDA Loan #6631	OWDA Loan #6875	OWDA Loan #7484	OWDA Loan #7847	Administrator & Fire Chief Vehicles	Community Improvement Bond	Police Cruisers
2023	30,431	9,621	7,740	6,345	12,916	33,241	\$42,167
2024	60,861	19,241	15,480	12,690	11,840	33,241	42,167
2025	60,861	19,241	15,480	12,690		33,241	42,167
2026	60,861	19,241	15,480	12,690		33,241	42,167
2027	60,861	19,241	15,480	12,690		33,241	
2028-2032	304,305	96,205	77,400	63,450		99,723	
2033-2037	152,149	76,967	77,400	63,450			
2038-2042			7,741	19,030			
Total	\$730,329	\$259,757	\$232,201	\$203,035	\$24,756	\$265,928	\$168,668

Note 10 – Contingent Liabilities

The Village was involved in a lawsuit that was settled in February 2024. The resolution of this matter did 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 11 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
Outstanding Encumbrances	29,135	59,145	0	57,037	903,154	1,048,471

Village of New Boston, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2022

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 13 – Noncompliance

Contrary to Ohio law, the Village's appropriations exceeded the amount certified as available by the budget commission in the CSO Phase 8A Fund by \$167,974.

Note 14 – Restatement of Beginning Fund Balances

The Village adjusted their classification of funds related to their Sewer operations from Governmental Type Funds to Enterprise Type Funds to better report this activity. Those restatements had the following effect on beginning balances:

Fund Type	December 31, 2022 Balance	January 1, 2022 Restated Balance	Restatement Amount
Special Revenue	\$483,344	\$462,913	(\$20,431)
Debt Service	\$132,923	\$39,877	(\$93,046)
Capital Projects	\$192,708	\$63,146	(\$129,562)
Enterprise	\$0	\$243,039	\$243,039

Note 15 – Related Organization

The Village has a related organization – the New Boston Community Improvement Corporation (CIC). The Village appoints the voting majority of this Board but the Village is not financially accountable for the CIC.

In 2022, the Village of New Boston transferred two parcels of land to the Corporation. The value of these two parcels according to the Scioto County Auditor’s office was \$352,850. The Village also loaned the CIC \$5,000 to start operations, but this money was repaid to Village within the year.

VILLAGE OF NEW BOSTON
SCIOTO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF THE ARMY				
Army Corp of Engineers	12.XXX	N/A	\$ -	\$ 717,214
Total U.S. Department of the Army				717,214
U.S. DEPARTMENT OF JUSTICE				
<i>Passed through the Ohio Office of Community Oriented Policing Services</i>				
Public Safety Partnership and Community Policing Grants	16.710	2020JMWX0158		108,772
Total U.S. Department of Justice				108,772
U.S. DEPARTMENT OF THE TREASURY				
<i>Passed through the Ohio Office of Budget and Management</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		98,243
<i>Passed thru Scioto County</i>				
COVID-19 Coronavirus Relief Fund	21.019	N/A		28
Total U.S. Department of Treasury				98,271
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed through the Ohio Department of Public Safety</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4360-DR-145-54166-00		37,103
COVID-19 Disaster Grants-Public Assistance (Presidentially Declared Disasters)		FEMA-4507-DR-145-54166-00		16,099
Total U.S. Department of Homeland Security				53,202
Total Expenditures of Federal Awards			\$ -	\$ 977,459

The accompanying notes are an integral part of this schedule.

**VILLAGE OF NEW BOSTON
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of New Boston (the Village's) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Village.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Village has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the Village to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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800-282-0370

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 the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of New Boston, Scioto County, (the Village) and have issued our report thereon dated August 29, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. In addition, we noted the 2022 financial statements have been restated as a result of adjusting the fund classification of those funds related to sewer activity.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-003.

Village's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
August 29, 2024

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

To the Village Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Village of New Boston's, Scioto County, (Village) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Village of New Boston's major federal program for the year ended December 31, 2022. Village of New Boston's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the Village of New Boston complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Village's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Village of New Boston, Scioto County, (Village) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We issued our unmodified report thereon dated August 29, 2024 wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the 2022 financial statements have been restated as a result of adjusting the fund classification of those funds related to sewer activity. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Keith Faber
Auditor of State
Columbus, Ohio
August 29, 2024

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**VILLAGE OF NEW BOSTON
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023 AND 2022**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP, unmodified under the regulatory basis
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Army Corp of Engineers – AL # 12.xxx
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2023-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to deficiencies in internal control related to financial reporting, the Village misclassified and misposted various receipts, disbursements, and fund balances in the annual financial report submitted to the Auditor of State for fiscal years 2023 and 2022.

**FINDING NUMBER 2023-001
(Continued)**

As of December 31, 2023:

- In Fund 4907, CSO Phase 8B Fund, \$207,464 of Intergovernmental Revenue was misclassified as Loans Issued.
- In Fund 4909, CSO Phase 9A Fund, \$57,855 of Principal Repayment was misclassified as Capital Outlay.
- In Fund 2907, Combined Sewer Overflow Reduction Fund, \$47,787 of Charges for Services was misclassified as Special Assessments Receipts.
- In Fund 2909, Portsmouth 7% Sewer Fund, \$63,034 of Charges for Services was misclassified as Special Assessments Receipts.
- In Fund 2909, Portsmouth 7% Sewer Fund, \$36,187 of Charges for Services that were due to be posted to the #2907 Fund were misclassified as Special Assessments Receipts in the 2909 Fund.
- In Fund 2907, Combined Sewer Overflow Reduction Fund, \$108,271 of Debt Service - Principal was misclassified as Basic Utility.
- Mayor's Court Activity was not included as a Custodial Fund Statement in the Hinkle Compilation. This caused the understatement of both amounts collected and amounts distributed of \$78,539.
- An on behalf of payment for \$105,304 from the USDA was not posted. This resulted in Capital Projects Fund Type Intergovernmental Receipts and Capital Outlay being understated.

As of December 31, 2022:

- In Fund 2907, Combined Sewer Overflow Reduction Fund, \$108,272 of Debt Service - Principal was misclassified as Basic Utility.
- In Fund 2907, Combined Sewer Overflow Reduction Fund, \$94,712 of Charges for Services was misclassified as Special Assessments Receipts.
- Mayor's Court Activity was not included as a Custodial Fund Statement in the Hinkle Compilation. This caused the understatement of both amounts collected and amounts distributed of \$25,661.

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

**FINDING NUMBER 2023-001
 (Continued)**

Fund	Original Fund Type	Corrected Fund Type Classification
Combined Sewer Overflow Reduction Fund, (#2907)	Special Revenue	Enterprise
Sewer Maintenance Fund (#2908)	Special Revenue	Enterprise
Portsmouth 7% Sewer Fund (#2909)	Special Revenue	Enterprise
CSO Phase 8A (#4906)	Capital Projects	Enterprise
CSO Phase 8B (#4907)	Capital Projects	Enterprise
CSO Phase 9A (#4909)	Capital Projects	Enterprise
CSO Phase 9B (#4910)	Capital Projects	Enterprise
Warren Trust (#9976)	Private Purpose Trust	Special Revenue
Village of New Boston Christmas Fund (#9977)	Private Purpose Trust	Special Revenue
Mayor's Court Fund	Not reported	Custodial Fund

There were also immaterial adjustments that are not listed or included in the Village's Financial Statements noted. The Village has adjusted the financial statements and accounting system, where appropriate, to correct the errors noted above.

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. Further, the Village Clerk/Treasurer should 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 and fund type classifications.

Officials' Response:

The Village is currently working on ways to improve internal controls to prevent these types of errors in the future.

FINDING NUMBER 2023-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Sound accounting practices require accurately positing estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Village Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village, and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Village Council are precisely stated and accurately posted to the appropriation ledger.

**FINDING NUMBER 2023-002
 (Continued)**

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

For 2023 and 2022, the budgetary footnote information filed through the Hinkle System was incorrectly reported due to the fact the Uniform Accounting Network (UAN) system was not properly updated. The following variances were noted:

Variances between approved budgetary appropriation amounts and amounts recorded in the UAN system at December 31, 2022 were as follows:

Fund	Approved Appropriations	Appropriations in UAN System	Difference
General (1000)	\$2,588,711	\$2,669,011	(\$80,300)
Fire Fund (2902)	\$92,000	\$102,000	(\$10,000)
CSO Phase 8A (4906)	\$200,906	\$0	\$200,906

Variances between approved budgetary appropriation amounts and amounts recorded in the UAN system at December 31, 2023 were as follows:

Fund	Approved Appropriations	Appropriations in UAN System	Difference
General (1000)	\$2,572,929	\$2,660,834	(\$87,905)
Safety Tax Fund (2903)	\$567,500	\$593,500	(\$26,000)
Combined Sewer Reduction Overflow Fund (2907)	\$145,000	\$125,000	\$20,000
COE Phase III (2909)	\$50,000	\$80,000	(\$30,000)
CSD Phase 8A (4906)	\$250,906	\$906	\$250,000
Other Custodial (9901)	\$9,482	\$0	\$9,482

Variances between the final amended certificate and amounts recorded in the UAN system at December 31, 2022 were as follows

Fund	Estimated Receipts in UAN System	Estimated Receipts from Amended Certificate of Estimated Resources	Difference
Bond Retirement (3101)	\$76,000	\$78,000	\$2,000

Variances between the final amended certificate and amounts recorded in the UAN system at December 31, 2023 were as follows:

**FINDING NUMBER 2023-002
 (Continued)**

Fund	Estimated Receipts in UAN System	Estimated Receipts from Amended Certificate of Estimated Resources	Difference
Community Development (2901)	\$20,003	\$10,003	(\$10,000)
Flood (2904)	\$51,000	\$45,000	(\$6,000)
Other Capital Project (4901)	\$342,107	\$307,107	(\$35,000)
CSO Phase 8A (4906)	\$0	\$250,000	\$250,000
CSO Phase 8B (4907)	\$2,126,084	\$745,542	(\$1,380,542)

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) and estimated receipts approved by Village Council were not properly posted to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements and notes to the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response:

The Village will strive to correct this moving forward.

FINDING NUMBER 2023-003

Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

At December 31, 2022 the Village's appropriations exceeded the amount certified as available by the budget commission in the CSO Phase 8A Fund (#4906) by \$167,974.

At December 31, 2023 the Village's appropriations exceeded the amount certified as available by the budget commission as follows:

**FINDING NUMBER 2023-0013
(Continued)**

Community Development Fund (#2901) by \$6,395
CSO Phase 8B Fund (#4907) by \$1,180,542

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Village Council to reduce the appropriations.

Officials' Response:

The Village is actively working on improving these procedures.

**VILLAGE OF NEW BOSTON
SCIOTO COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Material Weakness - Sound Financial Reporting	Not Corrected.	Reissued as Finding Number 2023-001.
2021-002	Material Weakness – Budgetary Information	Not Corrected.	Reissued as Finding Number 2023-002.
2021-003	Noncompliance and Material Weakness- Equipment Management	Not Corrected.	Reissued in Management Letter.
2021-004	Noncompliance and Material Weakness- Procurement, Suspension, Debarment	Corrected	
2021-005	Noncompliance and Material Weakness- Procurement, Suspension, Debarment	Corrected	
2021-006	Noncompliance and Material Weakness- Special Tests and Provisions	Corrected	

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VILLAGE OF NEW BOSTON
SCIOTO COUNTY

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2022

Finding Number: 2023-001
Planned Corrective Action: Sound Financial Reporting : Village is currently working on ways to improve internal controls to prevent these types of errors in the future.
Anticipated Completion Date: 12/31/2024
Responsible Contact Person: Stephanie Robnett, Clerk/Treasurer

Finding Number: 2023-002
Planned Corrective Action: Budgetary Data input into System: Village will strive to correct this moving forward.
Anticipated Completion Date: 12/31/2024
Responsible Contact Person: Stephanie Robnett, Clerk/Treasurer

Finding Number: 2023-003
Planned Corrective Action: Appropriations Exceeded Estimated Resources : . Village is actively working on improving these procedures.
Anticipated Completion Date: 12/31/2024
Responsible Contact Person: Stephanie Robnett Clerk/Treasurer

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NEW BOSTON

SCIOTO COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/17/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov