



Mary Taylor, CPA
Auditor of State

VILLAGE OF NEW MIAMI
BUTLER COUNTY

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Mary Taylor, CPA
Auditor of State

Village of New Miami
Butler County
268 Whitaker Avenue
New Miami, Ohio 45011

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 16, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of New Miami
Butler County
268 Whitaker Avenue
New Miami, Ohio 45011

To the Village Council:

We have audited the accompanying financial statements of the Village of New Miami, Butler County, Ohio (the Village), as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The accompanying financial statements present partially classified receipts and disbursements. Ohio Administrative Code, Section 117-2-02(A), requires governments to classify receipt and disbursement transactions.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2007 and 2006 or its changes in financial position or cash flows, where applicable for the years then ended.

Also, in our opinion, except for the omission of certain receipt and disbursement classifications, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of New Miami, Butler County, as of December 31, 2007 and 2006, and its combined unclassified cash receipts and unclassified disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2009, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

July 16, 2009

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Private Purpose Trust</u>	
Cash Receipts:						
Property and Local Taxes	\$41,035	\$86,541	\$18,073			\$145,649
Municipal Income Tax	158,586					158,586
Intergovernmental	163,630	110,854		\$118,465		392,949
Hamilton Municipal Court Fines	42,283	1,692				43,975
Unclassified	47,971	37,206				85,177
Total Cash Receipts	<u>453,505</u>	<u>236,293</u>	<u>18,073</u>	<u>118,465</u>	<u>0</u>	<u>826,336</u>
Cash Disbursements:						
Unclassified	426,740	264,201		185,709	1,000	877,650
Debt Service:						
Redemption of Principal			7,281			7,281
Interest and Fiscal Charges			12,005			12,005
Total Cash Disbursements	<u>426,740</u>	<u>264,201</u>	<u>19,286</u>	<u>185,709</u>	<u>1,000</u>	<u>896,936</u>
Total Receipts Over/(Under) Disbursements	<u>26,765</u>	<u>(27,908)</u>	<u>(1,213)</u>	<u>(67,244)</u>	<u>(1,000)</u>	<u>(70,600)</u>
Other Financing Receipts:						
OWDA Loan Proceeds				65,760		65,760
Total Other Financing Receipts				<u>65,760</u>		<u>65,760</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>26,765</u>	<u>(27,908)</u>	<u>(1,213)</u>	<u>(1,484)</u>	<u>(1,000)</u>	<u>(4,840)</u>
Fund Cash Balances, January 1	<u>122,241</u>	<u>128,124</u>	<u>17,066</u>	<u>5,186</u>	<u>2,301</u>	<u>274,918</u>
Fund Cash Balances, December 31	<u><u>\$149,006</u></u>	<u><u>\$100,216</u></u>	<u><u>\$15,853</u></u>	<u><u>\$3,702</u></u>	<u><u>\$1,301</u></u>	<u><u>\$270,078</u></u>
Reserve for Encumbrances, December 31	<u><u>\$1,192</u></u>	<u><u>\$3,182</u></u>				<u><u>\$4,374</u></u>

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

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Unclassified	\$569,030	\$504,152	\$1,073,182
Total Operating Cash Receipts	<u>569,030</u>	<u>504,152</u>	<u>1,073,182</u>
Operating Cash Disbursements:			
Unclassified	450,392	480,415	930,807
Total Operating Cash Disbursements	<u>450,392</u>	<u>480,415</u>	<u>930,807</u>
Operating Income	118,638	23,737	142,375
Non-Operating Cash Disbursements:			
Redemption of Principal	57,098		57,098
Interest and Other Fiscal Charges	43,935		43,935
Total Non-Operating Cash Disbursements	<u>101,033</u>	<u>0</u>	<u>101,033</u>
Net Receipts Over Disbursements	17,605	23,737	41,342
Fund Cash Balances, January 1	<u>140,833</u>	<u>50,040</u>	<u>190,873</u>
Fund Cash Balances, December 31	<u>\$158,438</u>	<u>\$73,777</u>	<u>\$232,215</u>
Reserve for Encumbrances, December 31	<u>\$15,661</u>	<u>\$48,978</u>	<u>\$64,639</u>

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

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Private Purpose Trust</u>	
Cash Receipts:						
Property and Local Taxes	\$42,721	\$91,416	\$17,066			\$151,203
Municipal Income Tax	170,336					170,336
Intergovernmental	161,087	106,598		\$505,036		772,721
Hamilton Municipal Court Fines	53,427	3,118				56,545
Unclassified	43,401	32,293				75,694
Total Cash Receipts	<u>470,972</u>	<u>233,425</u>	<u>17,066</u>	<u>505,036</u>	<u>0</u>	<u>1,226,499</u>
Cash Disbursements:						
Unclassified	453,971	287,235		502,415	1,000	1,244,621
Total Cash Disbursements	<u>453,971</u>	<u>287,235</u>	<u>0</u>	<u>502,415</u>	<u>1,000</u>	<u>1,244,621</u>
Total Receipts Over/(Under) Disbursements	<u>17,001</u>	<u>(53,810)</u>	<u>17,066</u>	<u>2,621</u>	<u>(1,000)</u>	<u>(18,122)</u>
Other Financing Receipts:						
OWDA Loan Proceeds				53,502		53,502
Total Other Financing Receipts				<u>53,502</u>		<u>53,502</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	17,001	(53,810)	17,066	56,123	(1,000)	35,380
Fund Cash Balances, January 1	105,240	181,934	0	(50,937)	3,301	239,538
Fund Cash Balances, December 31	<u>\$122,241</u>	<u>\$128,124</u>	<u>\$17,066</u>	<u>\$5,186</u>	<u>\$2,301</u>	<u>\$274,918</u>
Reserve for Encumbrances, December 31	<u>\$15,950</u>	<u>\$5,114</u>		<u>\$1,347</u>		<u>\$22,411</u>

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

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Unclassified	\$503,789	\$415,230	\$919,019
Total Operating Cash Receipts	<u>503,789</u>	<u>415,230</u>	<u>919,019</u>
Operating Cash Disbursements:			
Unclassified	645,373	377,174	1,022,547
Total Operating Cash Disbursements	<u>645,373</u>	<u>377,174</u>	<u>1,022,547</u>
Operating Income/(Loss)	(141,584)	38,056	(103,528)
Non-Operating Cash Disbursements:			
Redemption of Principal	61,877		61,877
Interest and Other Fiscal Charges	46,964		46,964
Total Non-Operating Cash Disbursements	<u>108,841</u>	<u>0</u>	<u>108,841</u>
Net Receipts Over/(Under) Disbursements	(250,425)	38,056	(212,369)
Fund Cash Balances, January 1	<u>391,258</u>	<u>11,984</u>	<u>403,242</u>
Fund Cash Balances, December 31	<u>\$140,833</u>	<u>\$50,040</u>	<u>\$190,873</u>
Reserve for Encumbrances, December 31	<u>\$34,523</u>		<u>\$34,523</u>

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

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of New Miami, Butler County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water, sewer, and trash utilities, recreation, street maintenance, and police services. The Village abolished the police department in August 2007. Police services are currently being provided by the Butler County Sheriff's Office.

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

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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).

The Village did not classify certain receipts and disbursements in the accompanying financial statements. This is a material departure from the requirements of Ohio Administrative Code Section 117-2-02(A). This Ohio Administrative Code Section requires classifying receipts and disbursements.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Deposits

Certificates of deposit are valued at cost.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

2. Special Revenue Funds

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

Street Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Permissive Motor Vehicle License Tax Fund – This fund receives license tax money which is used to maintain Village streets.

Fire Levy Fund – This fund receives tax revenue to operate the Village fire department.

Police Levy Fund – This fund receives tax revenue to operate the Village police department. On November 15, 2007, the Village Council adopted Ordinance No. 1771 to inform Butler County to terminate the collection of these monies.

3. Debt Service Funds

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Funds:

Storm Water Loan Fund – This fund receives special assessment tax revenue to be used for debt service on Ohio Water Development Authority Loan #4403.

Armco Bond Retirement Fund – This fund receives special assessment tax revenue to be used for debt service on Ohio Water Development Authority Loan #4404.

4. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Funds:

Phase II Storm Water Fund – This fund received Ohio Water Development Authority loan proceeds. The monies were used for storm water system improvements.

Booster Station Water Line Fund – This fund received Community Development Block Grant monies from Butler County. The grant monies were used for the booster station water line project.

Well #1 Revitalization Fund – This fund received Ohio Water Development Authority loan proceeds. The loan monies were used for the well #1 revitalization project.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

5. Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover water service costs.

Trash Fund - This fund receives charges for services from residents to cover trash service costs.

6. Fiduciary Funds

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

The Village's private purpose trust fund [Relief to the Poor Fund] is for the benefit of families in need of assistance. Interest income is the source of revenue for this fund.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for payroll withholdings and the collection and distribution of sewer fees collected by the Village and remitted to Butler County. Per an agreement with Butler County dated February 26, 2004, New Miami surrendered operation of its sewer collection system and sewer treatment plant to Butler County on November 5, 2004.

The Village established the Payroll Withholdings Clearing Fund in 2006.

E. Budgetary Process

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

1. Appropriations

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

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not use the encumbrance method of accounting.

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

A summary of 2007 and 2006 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. 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.

2. Equity in Pooled Cash and Deposits

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

	<u>2007</u>	<u>2006</u>
Demand deposits	\$193,027	\$444,291
Certificates of deposit	309,266	21,500
Total deposits	<u>\$502,293</u>	<u>\$465,791</u>

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

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2007, and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$453,505	\$453,505
Special Revenue		236,293	236,293
Debt Service		18,073	18,073
Capital Projects		184,225	184,225
Enterprise		569,030	569,030
Fiduciary		504,152	504,152
Total	\$0	\$1,965,278	\$1,965,278

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$874,330	\$427,932	\$446,398
Special Revenue	193,874	267,383	(73,509)
Debt Service	0	19,286	(19,286)
Capital Projects	615,362	185,709	429,653
Enterprise	972,295	567,086	405,209
Fiduciary	195,215	530,393	(335,178)
Total	\$2,851,076	\$1,997,789	\$853,287

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$470,972	\$470,972
Special Revenue		233,425	233,425
Debt Service		17,066	17,066
Capital Projects		558,538	558,538
Enterprise		503,789	503,789
Fiduciary		415,230	415,230
Total	\$0	\$2,199,020	\$2,199,020

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$460,527	\$469,921	(\$9,394)
Special Revenue	128,186	292,349	(164,163)
Capital Projects	356,825	503,762	(146,937)
Enterprise	1,082,540	788,737	293,803
Fiduciary	195,009	378,174	(183,165)
Total	\$2,223,087	\$2,432,943	(\$209,856)

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. Budgetary Activity (Continued)

The Village did not book on-behalf grant monies and Ohio Water Development Authority loan proceeds as required by Ohio Revised Code Section 5705.09(F).

Contrary to Ohio Revised Code Section 5705.36(A)(1), the Village did not complete certificates of the total amount available for expenditure for 2006 or 2007.

Contrary to Ohio Revised Code Section 5705.36(A)(2), the Village did not complete any certificates of estimated resources for 2006 or 2007.

Contrary to Ohio Revised Code Section 5705.41(B), expenditures plus outstanding encumbrances exceeded appropriations for the following funds at December 31, 2006: General, Police Levy, Law Enforcement Trust, Street, FEMA, Drug Law Enforcement, Phase II Augspurgen, Phase II Storm Water, Unnamed Capital Project, Enterprise Debt Service, and Utility Meter Trust; and for the following funds at December 31, 2007: Fire Levy, Furtherance of Justice, Street, COPS, Storm Water Loan, Armco Bond Retirement, Well #1 Revitalization, Unnamed Capital Projects, and Butler County Sewer.

Contrary to Ohio Revised Code Section 5705.10, the Village had negative fund balances at December 31, 2006, and 2007 for the following funds: Fire Grant, COPS, OVI, Fire Levy, FOJ, S.R. 127 Extension & Water Tower, Well #1 Revitalization (2007 only), Phase II Augspurgen, and Enterprise Debt Service.

Contrary to Ohio Administrative Code Section 117-2-02(C)(1), the Village did not post any budgetary data to the accounting system.

4. Property Tax

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

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

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

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

5. Local Income Tax

The Village levies a municipal income tax of 1.75 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. The Village contracts with the City of Hamilton to collect and administer the income taxes process. Income tax proceeds are posted to the General Fund.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

6. Debt

Debt outstanding at December 31, 2007 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA 1988 Pure Water Loan (1783)	\$524,216	7.59%
OWDA 1988 Pure Water Catch-up Loan (1784)	7,977	7.59%
OWDA 2003 Waterline Extension Loan (3909)	57,258	4.28%
OWDA 2005 Phase II Stormwater Improvements (4403)	223,816	3.79%
OWDA 2005 Waterline Extension Loan (4404)	87,453	3.79%
OWDA 2007 Well Rehabilitation Loan (4670)	64,345	1.50%
Public Finance 2003 Fire Truck Lease	107,396	4.49%
GMAC 2006 Chevy Impala Lease	12,413	7.50%
Case 2007 Backhoe Lease	53,093	5.10%
Total	<u>\$1,137,967</u>	

The Ohio Water Development Authority (OWDA) 1988 loans (1783 & 1784) relate to a water expansion project that was mandated by the Ohio Environmental Protection Agency. The total amount of the loans issued was \$1,058,277. The loans are being repaid in semiannual installments of \$47,870, including interest, over 25 years. The last payment is due July 1, 2015. The loans are collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Loan payments are being paid from Fund 5721-Enterprise Debt Service.

The OWDA 2003 Waterline Extension Loan (3909) relates to a waterline improvement project. The total amount of the loan issued was \$75,000. The loan is being repaid in semiannual installments of \$3,414, including interest, over 15 years. The last payment is due July 1, 2018. The OWDA loan is collateralized by water customer connection and disconnection fees. Loan payments are being paid from Fund 5721-Enterprise Debt Service.

The OWDA 2005 Phase II Stormwater Improvements Loan (4403) relates to a storm water improvement project. The total amount of the loan awarded was \$228,000. During the year ended December 31, 2006, the Village drew the remaining loan proceeds of \$50,199. The loan is being repaid in semi-annual installments of \$6,393, including interest, over 30 years. The last payment is due January 1, 2037. The OWDA loan is collateralized by special assessment fees. Loan proceeds were posted to Fund 4503-Phase II Stormwater. Loan payments are being paid from Fund 3101-Storm Water Loan Debt Service.

The OWDA 2005 Waterline Extension Loan (4404) relates to a waterline extension project. The total amount of the loan awarded was \$90,549. During the year ended December 31, 2006, the Village drew the remaining loan proceeds of \$3,303. The loan is being repaid in semi-annual installments of \$3,249, including interest, over 20 years. The last payment is due January 1, 2027. The OWDA loan is collateralized by special assessment fees. Loan proceeds were posted to Fund 4502-Phase II Augspurgen. Loan payments are being paid from Fund 3102-Armco Bond Retirement Debt Service.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

6. Debt (Continued)

The OWDA 2007 Well Rehabilitation Loan (4670) relates to a well rehabilitation project. The total amount of the loan awarded was \$65,760. The Village drew all available loan proceeds during the year ended December 31, 2007. The loan is being repaid in semi-annual installments of \$1,909, including interest, over 20 years. The last payment is due July 1, 2027. The OWDA loan is collateralized by water receipts. Loan proceeds were posted to Fund 4204-Well #1 Rehabilitation. Loan payments are being paid from Fund 5721-Enterprise Debt Service.

The Public Finance 2003 Fire Truck lease/purchase agreement relates to a lease entered into September of 2003. The purchase price of the fire truck was \$164,645. The lease/purchase agreement will be repaid in semi-annual installments of \$10,309, including interest, with the last payment due August 27, 2013. Ownership of the fire truck transfers to the Village at the conclusion of the lease. The fire truck serves as collateral. Lease payments are being paid from the General Fund and Fund 2401-Fire Levy.

The GMAC 2006 Chevy Impala lease/purchase agreement relates to a lease entered into October of 2006. The purchase price of the car was \$17,291. The lease/purchase agreement will be repaid in 36 monthly installments of \$538, including interest. Ownership of the car transfers to the Village at the conclusion of the lease. The car serves as collateral. Lease payments are being paid from the General Fund.

The Case 2007 Backhoe lease/purchase agreement relates to a lease entered into October of 2007. The purchase price of the backhoe was \$53,094. The lease/purchase agreement will be repaid in annual installments of \$10,493, including interest, with the last payment due November 1, 2013. Ownership of the backhoe transfers to the Village at the conclusion of the lease. The backhoe serves as collateral. The first lease payment is due November 1, 2008.

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

Year ending December 31:	OWDA 1988 Pure Water Loan (1783)	OWDA 1988 Pure Water Catch-up Loan (1784)	OWDA 2003 Waterline Extension Loan (3909)	OWDA 2005 Phase II Stormwater Improvements (4403)
2008	\$47,153	\$717	\$3,414	\$6,393
2009	94,306	1,434	6,827	12,786
2010	94,306	1,434	6,827	12,786
2011	94,306	1,434	6,827	12,786
2012	94,306	1,434	6,827	12,786
2013 - 2017	282,918	4,302	34,135	63,934
2018 - 2022			6,827	63,934
2023 - 2027				63,934
2028 - 2032				63,934
2033 - 2037				57,541
Total	<u>\$707,295</u>	<u>\$10,755</u>	<u>\$71,684</u>	<u>\$370,814</u>

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

6. Debt (Continued)

Year ending December 31:	OWDA 2005 Waterline Extension Loan (4404)	OWDA 2007 Well Rehabilitation Loan (4670)	Public Finance 2003 Fire Truck Lease	GMAC 2006 Chevy Impala Lease
2008	\$3,249	\$1,909	\$20,617	\$6,454
2009	6,499	3,818	20,617	6,454
2010	6,499	3,818	20,617	538
2011	6,499	3,818	20,617	
2012	6,499	3,818	20,617	
2013 - 2017	32,494	19,090	20,617	
2018 - 2022	32,494	19,090		
2023 - 2027	29,245	19,090		
Total	<u>\$123,478</u>	<u>\$74,451</u>	<u>\$123,702</u>	<u>\$13,446</u>

Year ending December 31:	Case 2007 Backhoe Lease
2008	\$10,493
2009	10,493
2010	10,493
2011	10,493
2012	10,493
2013 - 2017	10,493
Total	<u>\$62,958</u>

7. Retirement Systems

The Police Chief and an officer belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees and the remaining police officers belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OP&F participants contributed 10% of their wages. For 2007 and 2006, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2007 and 2006, OPERS members contributed 9.5 and 9%, respectively, of their gross salaries and the Village contributed an amount equaling 13.85 and 13.7%, respectively, of participants' gross salaries. The Village has not paid all contributions required through December 31, 2007. The payments were not timely remitted (see Note 10).

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

8. Risk Management

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

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

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year.

For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006) as noted above.

Property Coverage

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

8. Risk Management (Continued)

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Assets	\$37,560,071	\$36,123,194
Liabilities	<u>(17,340,825)</u>	<u>(16,738,904)</u>
Net Assets	<u>\$20,219,246</u>	<u>\$19,384,290</u>

At December 31, 2007 and 2006, respectively, the liabilities above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Village's share of these unpaid claims collectible in future years is approximately \$31,490. This payable includes the subsequent year's contribution due if the Village terminates participation, as described in the last paragraph below.

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

<u>Contributions to PEP</u>	
2005	\$30,669
2006	\$31,135
2007	\$27,383

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

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

9. Contingent Liabilities

The Village is defendant in a lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

10. Transfer of Sewer Operations

The Village surrendered operation of its sewer collection system and its sewer treatment plant in "as is" condition to Butler County on November 5, 2004, when the existing Ohio Environmental Protection Agency permits for the treatment plant expired. Once placed in control of the Village's sewer treatment plant and collection system, the County assumed the risk of operation of those assets as well as their maintenance. Butler County assumed the Village's outstanding OWDA 1999 Wastewater System loans on November 5, 2004 [Wastewater System Feasibility Loan (2817) and Wastewater System Engineering Loan (2164)].

11. Compliance

The Village Clerk did not maintain the books of the Village and exhibit accurate statements of monies received and expended as required by Ohio Revised Code Section 733.28.

Contrary to Ohio Revised Code Section 117.38, the Village did not publish notice for the 2007 annual report. The Village did not publish notice for the 2006 annual report until December 2007. The Village did not timely file the annual reports with the Auditor of State.

The Village has not retained certain records as required by Ohio Revised Code Section 149.351.

The Village did not timely remit federal income taxes and employment related taxes withheld from employees' earnings as required by Sections 3401 through 3406 and Section 3102(a) of Chapter 26 of the Internal Revenue Code (IRC).

The Village did not timely remit state income taxes withheld from employees' earnings as required by Ohio Revised Code Section 5747.06(A).

The Village did not timely remit retirement contributions (employer and employee portions) as required by Ohio Revised Code Section 145.47.

The Village did not timely remit retirement contributions (employer and employee portions) as required by Ohio Revised Code Section 742.32.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of New Miami
Butler County
268 Whitaker Avenue
New Miami, Ohio 45011

To the Village Council:

We have audited the financial statements of the Village of New Miami, Butler County, Ohio (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated July 16, 2009, which was qualified since the Village did not classify certain receipts and disbursements in its financial statements. We also noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider findings 2007-024, 2007-026 through 2007-029, 2007-031, and 2007-033 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. Of the significant deficiencies described above, we believe findings number 2007-024, 2007-027, 2007-028, 2007-029, 2007-031, and 2007-033 are also material weaknesses.

We also noted certain matters that we reported to the Village's management in a separate letter dated July 16, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001 through 2007-025 and 2007-028 through 2007-032.

We also noted certain noncompliance or other matters that we reported to the Village's management in a separate letter dated July 16, 2009.

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

We intend this report solely for the information and use of management and Village Council. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

July 16, 2009

**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Finding for Recovery

The Village issued check #45738 on June 30, 2006 to James Harris, police officer. The Village paid James Harris for 40 hours at \$10/hour (\$400). However, his timesheet indicated that he should have been paid for five days at a daily rate of \$30/day (\$150). The Village overpaid James Harris by \$250. The Village Fiscal Officer and Village Mayor authorized this check for payment and the Village minutes documented that the Council voted to approve payment for a range of check numbers, including check #45738. The Village documented the pay rate on the timesheet; however, Council did not approve a pay rate or official rate schedule.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against James Harris in the amount of \$250, and in favor of the Village of New Miami Police Levy Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer; Kenneth Cheek, Former Village Mayor; and Ohio Casualty Insurance Company, Kenneth Cheek’s bonding company, are jointly and severally liable in the amount of \$250, and in favor of the Village of New Miami Police Levy Fund to the extent that recovery is not obtained from James Harris.

FINDING NUMBER 2007-002

Finding for Recovery

The Village issued check #46158 on September 8, 2006 to Krista Adams, police officer. The Village paid Krista for 79.5 regular hours and 14 overtime hours at \$12.50/hour (\$1,256.25). However, her timesheet indicated she should have been paid for 80 regular hours and 13.5 overtime hours (\$1,253.12). The Village overpaid Krista Adams by \$3.13.

The Village issued check #43339 on October 20, 2006 to Krista Adams. The Village paid Krista for 85.5 regular hours and 13.5 overtime hours at \$12.50/hour (\$1,321.88). However, her timesheet indicated she should have been paid for 80 regular hours and 13.5 overtime hours (\$1,253.12). The Village overpaid Krista Adams by \$68.76.

The Village issued check #46567 on December 15, 2006 to Krista Adams. The total check of \$1,395.09 included 95.5 “holiday” hours at \$12.50/hour (\$1,193.75). However, these “holiday” hours were not substantiated on her timesheet, and the Village did not present any documentation supporting this payment. The Village overpaid Krista Adams by \$1,193.75.

**FINDING NUMBER 2007-002
(Continued)**

The total overpayment for these three checks is \$1,265.64. The Village Fiscal Officer and Village Mayor authorized these checks for payment (check #46158 was authorized by the Village Fiscal Officer). The Village documented the pay rates on the timesheets; however, Council did not approve a pay rate or official rate schedule.

Check #	Overpayment Amount
46158	\$3.13
43339	68.76
46567	1,193.75

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Krista Adams in the amount of \$1,265.64 in favor of the Village of New Miami Police Levy Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore, Joseph Ebbing (\$1,265.64), Village Fiscal Officer; Kenneth Cheek, Former Village Mayor (\$1,262.51); and Ohio Casualty Insurance Company, Kenneth Cheek’s bonding company are jointly and severally liable in the aforementioned corresponding amounts, in favor of the Village of New Miami Police Levy Fund to the extent that recovery is not obtained from Krista Adams.

FINDING NUMBER 2007-003

Finding for Recovery

The Village issued check #47306 on April 6, 2007 to Darrell Adams, police officer. The Village paid Darrell for 20 shifts at \$30/shift (\$600). However, his timesheet indicated he only worked two shifts at \$30/shift (\$60). The Village overpaid Darrell Adams by \$540. The Village Fiscal Officer and Village Mayor authorized this check for payment and the Village minutes documented that the Council voted to approve payment for a range of check numbers, including check #47306. The Village documented the pay rate on the timesheet; however, Council did not approve a pay rate or official rate schedule.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Darrell Adams in the amount of \$540, in favor of the Village of New Miami Police Levy Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

**FINDING NUMBER 2007-003
(Continued)**

Therefore, Joseph Ebbing, Village Fiscal Officer; Emma Jean Butler, Village Mayor; and Selective Insurance Company of America, Joseph Ebbing's bonding company, are jointly and severally liable, in the amount of \$540, and in favor of the Village of New Miami Police Levy Fund to the extent that recovery is not obtained from Darrell Adams.

FINDING NUMBER 2007-004

Finding for Recovery

The Village issued check #48899 on December 27, 2007 to James Lakes, street commissioner. The total check of \$1,124.04 included an "extra \$341.32 salary". However, his timesheet did not substantiate the "extra \$341.32 salary" and the Village did not present any documentation supporting this payment. The Village overpaid James Lakes by \$341.32. The Village Fiscal Officer and Village Mayor authorized this check for payment and the Village minutes did not document that the Council approved payment of this check.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village's finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer; and Emma Jean Butler, Village Mayor; Selective Insurance Company of America, Joseph Ebbing's bonding company; and Ohio Government Risk Management Plan, Emma Jean Butler's bonding company, are jointly and severally liable, in the amount of \$341.32, and in favor of the Village of New Miami Street Fund to the extent that recovery is not obtained from James Lakes.

FINDING NUMBER 2007-005

Finding for Recovery

Ohio Revised Code Section 149.351 states, in part, that "all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions."

The Village provides "uniform allowances" to the volunteer firemen, auxiliary police officers, and utility employees. The March 1, 2001, Village Council minutes state that "the matter of clothing allowances for village employees were discussed. Earsel Check suggested that the employees paid by the general fund be given clothing allowance checks and employees paid by the enterprise funds be given a check in the amount of their receipts not to exceed \$500 for the water plant and sewer plant workers and \$250 for the office workers. All agreed."

**FINDING NUMBER 2007-005
(Continued)**

The Village issued check #46968 on February 9, 2007 to Louis Nunn, water maintenance worker, from the Village of New Miami Water Fund. Louis Nunn's pay stub for the pay period ended December 31, 2006, indicated "uniform allowance". However, no other documentation was attached to the pay stub, and the Village did not present any documentation supporting this payment. This payment was in violation of the Village uniform policy requiring payment in the amount of receipts provided. The Village paid Louis Nunn \$300. The Village Fiscal Officer and Village Mayor authorized this check for payment and the Village minutes documented that the Council voted to approve payment for a range of check numbers, including check #46968; however, there was no documentation that that before authorizing payment Council reviewed the payment for proper public purpose.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village's finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Louis Nunn in the amount of \$300, and in favor of the Village of New Miami Water Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer; Kenneth Cheek, Former Village Mayor; and Ohio Casualty Insurance Company, Kenneth Cheek's bonding company, are jointly and severally liable, in the amount of \$300, and in favor of the Village of New Miami Water Fund, to the extent that recovery is not obtained from Louis Nunn.

FINDING NUMBER 2007-006

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that "all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions."

The Village issued check #47405 (\$194.57) on April 12, 2007 to Patti Hanes, council member. The Village provided no invoices or receipts to support \$115 this payment. The Village Fiscal Officer and Village Mayor authorized this check for payment and the Village minutes documented that the Council voted to approve payment for a range of check numbers, including check #47405; however, there was no documentation that that before authorizing payment Council reviewed the payment for proper public purpose.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village's finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

**FINDING NUMBER 2007-006
 (Continued)**

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Patti Hanes in the amount of \$115, and in favor of the Village of New Miami General Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer; Emma Jean Butler, Village Mayor; and Selective Insurance Company of America, Joseph Ebbing’s bonding company, are jointly and severally liable, in the amount of \$115, and in favor of the Village of New Miami General Fund to the extent that recovery is not obtained from Patti Hanes.

FINDING NUMBER 2007-007

Finding for Recovery

The Village issued three checks to Joseph Ebbing, Fiscal Officer. These paychecks included holiday overtime hours. However, per Council Resolution 2006-21 appointing Joseph Ebbing as Fiscal Officer, he is overtime exempt. The Village overpaid Joseph Ebbing by \$2,685.94, as follows:

Check #	Date	Holiday Overtime Hours	Rate Of Pay	Overpayment Amount
47783	June 14, 2007	14.75	\$56.25	\$829.69
48527	October 18, 2007	9.75	\$56.25	548.44
48735	November 29, 2007	23.25	\$56.25	1,307.81

Council approved Joseph Ebbing’s pay rate via Resolution 2006-04.

The total overpayment for these three checks is \$2,685.94. Joseph Ebbing and the Village Mayor authorized these checks for payment and the Village minutes documented that the Council voted to approve payment for a range of check numbers, including check #47783 (check #48527 and 48735 were not included in the minutes as being approved in a range of check numbers).

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Joseph Ebbing, Village Fiscal Officer in the amount of \$2,685.94, and in favor of the Village of New Miami General Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

**FINDING NUMBER 2007-007
 (Continued)**

Therefore, Emma Jean Butler, Village Mayor; and Selective Insurance Company of America, Joseph Ebbing's bonding company; and Ohio Government Risk Management Plan, Emma Jean Butler's bonding company, are jointly and severally liable in the aforementioned corresponding amounts, and in favor of the Village of New Miami General Fund to the extent that recovery is not obtained from Joseph Ebbing.

FINDING NUMBER 2007-008

Finding for Recovery

Per Village Ordinance 1442 "any employee who works on a holiday shall be paid double time and half for that day." All other eligible Village employees shall be paid for holidays. The Village failed to follow Ordinance 1442. The Village paid several employees for the holiday hours they worked at a rate of double time and a half, in accordance with the ordinance, and then paid them an additional 8 hours of "holiday time." The additional "holiday time" pay is not authorized by the Village Ordinance and accordingly the Village overpaid these employees for the holiday time they were paid. The Village Fiscal Officer and Village Mayor authorized these checks for payment (check #48742 was only signed by the Village Fiscal Officer and Howard Beare) and the Village minutes documented that Council voted to approve payment for a range of check numbers, including all checks documented below, except for check #48536 and 48742 (check #48536 and 48742 were not included in the minutes as being approved in a range of check numbers). The Village documented the pay rates on the timesheets; however, Council did not approve pay rates or official rate schedule.

Check Number	Check Date	Employee	Detail	Fund	Overpayment	Authorized By
47406	4/16/07	Ann Smith	8 holiday hours at \$12/hour	Police Levy	\$96.00	Joseph Ebbing, Emma Jean Butler
47791	6/14/07	Ann Smith	8 holiday hours at \$12/hour	Police Levy	96.00	Joseph Ebbing, Emma Jean Butler
47959	7/13/07	Ann Smith	8 holiday hours at \$12/hour	Police Levy	96.00	Joseph Ebbing, Emma Jean Butler
46767	1/12/07	Howard Beare	8 holiday hours at \$10.57/hour	Water	84.56	Joseph Ebbing, Kenneth Cheek
47096	3/8/07	Howard Beare	2.5 holiday hours at \$10.57/hour	Water	26.43	Joseph Ebbing, Kenneth Cheek
47958	7/13/07	Howard Beare	2.5 holiday hours at \$11.67/hour	Water	29.18	Joseph Ebbing, Emma Jean Butler
48383	9/20/07	Howard Beare	3 holiday hours at \$13.60/hour	Water	40.80	Joseph Ebbing, Emma Jean Butler
48536	10/18/07	Howard Beare	3 holiday hours at \$13.60/hour	Water	40.80	Joseph Ebbing, Emma Jean Butler
48742	11/29/07	Howard Beare	8 holiday hours at \$13.60/hour	Water	108.80	Joseph Ebbing
47810	6/14/07	Jamie Cook	2.5 holiday hours at \$23.75/hour	Water	59.38	Joseph Ebbing, Emma Jean Butler
48384	9/20/07	Jamie Cook	4 holiday hours at \$22.56/hour	Water	90.24	Joseph Ebbing, Emma Jean Butler
47778	6/14/07	Krista Adams	8 holiday hours at \$12.50/hour	Police Levy	100.00	Joseph Ebbing, Emma Jean Butler
47426	4/17/07	Louis Nunn	2.5 holiday hours at \$13.97/hour	Water	34.93	Joseph Ebbing, Emma Jean Butler

FINDING NUMBER 2007-008
(Continued)

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Ann Smith (\$288.00); Howard Beare (\$330.57); Jamie Cook (\$149.62); Krista Adams (\$100); Louis Nunn (\$34.93); in the aforementioned corresponding amounts, for the total amount of \$903.12, and in favor of the Village of New Miami Police Levy Fund in the amount of \$388.00 and Water Fund in the amount of \$515.12.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer (\$903.12); Kenneth Cheek (\$110.99), Former Village Mayor; Emma Jean Butler, Village Mayor (\$683.33); Selective Insurance Company of America (\$792.13), Joseph Ebbing’s bonding company; Ohio Casualty Insurance Company (\$110.99), Kenneth Cheek’s bonding company; and Ohio Government Risk Management Plan (\$683.33), Emma Jean Butler’s bonding company, are jointly and severally liable, in the aforementioned corresponding amounts, for the total amount of \$903.12 and in favor of the Village of New Miami Police Levy Fund in the amount of \$388.00 and Water Fund in the amount of \$515.12, to the extent that recovery is not obtained from Ann Smith, Howard Beare, Jamie Cook, Krista Adams, and Louis Nunn.

FINDING NUMBER 2007-009

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued check #44709 (\$229.95) on January 13, 2006, to Joseph Ebbing, Fiscal Officer. The Village provided no invoices or receipts to support this payment. Joseph Ebbing and Village Mayor authorized this check for payment and the Village minutes documented that the Council voted to approve payment for a range of check numbers, including check #44709; however, there was no documentation that that before authorizing payment Council reviewed the payment for proper public purpose.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Joseph Ebbing, Village Fiscal Officer in the amount of \$229.95, and in favor of the Village of New Miami General Fund.

**FINDING NUMBER 2007-009
(Continued)**

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore, Kenneth Cheek, Former Village Mayor; and Ohio Casualty Insurance Company, Kenneth Cheek’s bonding company, are jointly and severally liable, in the amount of \$229.95, and in favor of the Village of New Miami General Fund to the extent that recovery is not obtained from Joseph Ebbing.

FINDING NUMBER 2007-010

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued check #46599 on December 21, 2006, to T. Shawn Campbell. The Village provided no invoices or receipts to support this payment. The Village Fiscal Officer authorized this check for payment; however, there was no documentation that that before authorizing payment Council reviewed the payment for proper public purpose.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against T. Shawn Campbell in the amount of \$1,050, and in favor of the Village of New Miami Water Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer, is jointly and severally liable, in the amount of \$1,050, and in favor of the Village of New Miami Water Fund, to the extent that recovery is not obtained from T. Shawn Campbell.

FINDING NUMBER 2007-011

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued checks as noted below to Dorothy Edgerton and Edward Schutzman. The Village provided no invoices or receipts to support these payments. The Village Fiscal Officer and Village Mayor authorized these checks for payment and the Village minutes documented that the Council voted to approve payment for a range of check numbers, including the check numbers documented below; however, there was no documentation that that before authorizing payment Council reviewed the payment for proper public purpose.

Check #	Check Date	Payee	Amount
47604	5/15/07	Dorothy Edgerton	\$220
47549	5/6/07	Edward Schutzman	180
47600	5/15/07	Edward Schutzman	300
47842	6/16/07	Edward Schutzman	660

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Dorothy Edgerton in the amount of \$220 and Edward Schutzman in the amount of \$1,140, and in favor of the Village of New Miami General Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer (\$1,360); Emma Jean Butler, Village Mayor (\$1,360); Selective Insurance Company of America, Joseph Ebbing’s bonding company; and Ohio Government Risk Management Plan, Emma Jean Butler’s bonding company, are jointly and severally liable, in the aforementioned corresponding amounts, and in favor of the Village of New Miami General Fund, to the extent that recovery is not obtained from Dorothy Edgerton and Edward Schutzman.

FINDING NUMBER 2007-012

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village hired Linda Hix as an administrative clerk at \$11.50/hour to work up to 40 hours/week (total of \$460/week), per Ordinance 1757. The Village issued checks to Linda Hix as noted below. The Village provided timecards to support these payments (except as noted below). The Village Fiscal Officer and Village Mayor authorized these checks for payment; however, there was no documentation that that before authorizing payment Council reviewed the payment for proper public purpose. All checks noted below were paid from the Water Fund.

Check #	Check Date	Check Amount	Support	Unsupported Amount
48473	10/5/07	\$526.13	Timecard for 42 hours; actually paid for 45.75 hours	\$66.13
48474	10/5/07	480.13	Timecard for 41.75 hours	20.13
48476	10/10/07	494.50	Timecard for 43 hours	34.50
48586	10/29/07	94.88	No support	94.88
48627	11/5/07	508.88	No support	48.88
48769	11/30/07	491.61	No support	31.61

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Linda Hix in the amount of \$296.13, and in favor of the Village of New Miami Water Fund, in the amount of \$296.13.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer (\$296.13); Emma Jean Butler, Village Mayor (\$264.52); Selective Insurance Company of America, Joseph Ebbing’s bonding company; and Ohio Government Risk Management Plan, Emma Jean Butler’s bonding company, are jointly and severally, in the aforementioned corresponding amounts, and in favor of the Village of New Miami Water Fund, in the amount of \$296.13 to the extent that recovery is not obtained from Linda Hix.

FINDING NUMBER 2007-013

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued checks as noted below. The Village provided no invoices or receipts to support these payments. The Village Fiscal Officer and Village Mayor authorized these checks for payment (check #45843 was authorized by the Village Fiscal Officer). There was no documentation that before authorizing payment Council reviewed the payment for proper public purpose.

Check #	Check Date	Vendor	Fund	Amount	Authorized By
45576	6/2/06	Al Couch Farm Market	Water	\$22.40	Joseph Ebbing, Kenneth Cheek
43491	11/15/06	Lowes Business Account	General	15.58	Joseph Ebbing, Kenneth Cheek
45843	7/17/06	Patti Hanes	General	20.00	Joseph Ebbing
46984	2/9/07	Lowes Business Account	General	29.00	Joseph Ebbing, Kenneth Cheek
48130	8/10/07	Lowes Business Account	General	16.97	Joseph Ebbing, Emma Jean Butler
48198	8/28/07	Lowes Business Account	Water	12.65	Joseph Ebbing, Emma Jean Butler
48713	11/21/07	Lowes Business Account	General	46.49	Joseph Ebbing, Emma Jean Butler
47770	6/11/07	Office Depot	General	95.66	Joseph Ebbing, Emma Jean Butler
46689	1/10/07	Tractor Supply	Street	5.93	Joseph Ebbing, Kenneth Cheek
47164	3/9/07	Tractor Supply	Street	8.78	Joseph Ebbing, Kenneth Cheek
47165	3/9/07	Tractor Supply	Water	34.76	Joseph Ebbing, Kenneth Cheek
48202	8/28/07	Tractor Supply	Street	6.20	Joseph Ebbing, Emma Jean Butler
48723	11/26/07	Tractor Supply	Street	8.79	Joseph Ebbing, Emma Jean Butler

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

**FINDING NUMBER 2007-013
 (Continued)**

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Joseph Ebbing, Village Fiscal Officer (\$323.21); Kenneth Cheek, Former Village Mayor (\$116.45); Emma Jean Butler, Village Mayor (\$186.76); Ohio Casualty Insurance Company (\$116.45), Kenneth Cheek’s bonding company; Selective Insurance Company of America (\$186.76), Joseph Ebbing’s bonding company; and Ohio Government Risk Management Plan (\$186.76), Emma Jean Butler’s bonding company, jointly and severally, in the total amount of \$323.21, and in favor of the Village of New Miami General Fund, in the amount of \$223.70, Street Fund in the amount of \$29.70, and Water Fund in the amount of \$69.81.

FINDING NUMBER 2007-014

Finding for Recovery

The Village issued checks as noted below. These checks were all duplicate payments, and the Village did not provide documentation detailing the Village received credit for these over-payments. The Village Fiscal Officer and Village Mayor authorized these checks for payment (checks #46203 and 46286 were authorized by the Village Fiscal Officer).

Check #	Check Date	Vendor	Fund	Amount
46203	9/12/06	Hamilton Rental Center	Water	\$16 is duplicate of #46150
44705	1/13/06	Kaffenbarger Truck Equipment	Street	\$164 is duplicate of #44648
46355	10/10/06	Lowes Business Account	General	\$338.46 is duplicate of #46189, 46252, 46253, 46260, 46261
45094	3/20/06	Miami Conservancy District	General	\$130 is duplicate of #45026
45083	3/15/06	Staples Credit Plan	Water	\$69.88 is duplicate of #44973
46286	9/30/06	Staples Credit Plan	Water	\$41.43 is duplicate of #46157
46556	12/13/06	Staples Credit Plan	General	\$179.98 is duplicate of #46814
44781	1/31/06	Valley Janitor Supply	Street	\$36.15 was a credit memo, not an amount due
44700	1/13/06	Viking Office Products	General	\$486.43 is duplicate of #44664

**FINDING NUMBER 2007-014
 (Continued)**

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against; Joseph Ebbing, Village Fiscal Officer (\$1,462.33); Kenneth Cheek, Former Village Mayor (\$1,404.90); Ohio Casualty Insurance Company, Kenneth Cheek’s bonding company, jointly and severally, in the total amount of \$1,462.33, and in favor of the Village of New Miami General Fund, in the amount of \$1,134.87, Street Fund in the amount of \$200.15, and Water Fund in the amount of \$127.31.

FINDING NUMBER 2007-015

Finding for Recovery

The Village issued checks as noted below. These checks were all duplicate payments, and the Village did not provide documentation detailing the Village received credit for these over-payments. . The Village Fiscal Officer and Village Mayor authorized these checks for payment and the Village minutes documented that the Council voted to approve payment for a range of check numbers, including all check numbers as documented below (check #48707 was not included in the minutes as being approved in a range of check numbers).

Check #	Check Date	Vendor	Fund	Amount	Authorized By
47434	4/17/07	Advance Auto Parts	Street	\$20.81 (attached receipt was from Tractor Supply)	Joseph Ebbing, Emma Jean Butler
48844	12/14/07	Advance Auto Parts	Street	\$79.08 (attached invoice was from Savage Auto Parts)	Joseph Ebbing, Emma Jean Butler
47806	6/15/07	Cox Ohio Publishing	General	\$20.46 is duplicate of #47774	Joseph Ebbing, Emma Jean Butler
48665	11/9/07	Galls	General	\$520.91 is duplicate of #48637	Joseph Ebbing, Emma Jean Butler
48707	11/21/07	Lowes Business Account	Street	\$72.97 is duplicate of #48650	Joseph Ebbing, Emma Jean Butler

**FINDING NUMBER 2007-015
 (Continued)**

Check #	Check Date	Vendor	Fund	Amount	Authorized By
46702	1/10/07	Rumpke	Trash	\$56.49 is duplicate of #46692	Joseph Ebbing, Kenneth Cheek
47016	2/15/07	Staples Credit Plan	General	\$89.99 is duplicate of #47198	Joseph Ebbing, Kenneth Cheek

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Joseph Ebbing, Village Fiscal Officer (\$860.71); Kenneth Cheek, Former Village Mayor (\$146.48); Emma Jean Butler, Village Mayor (\$714.23); Selective Insurance Company of America, Joseph Ebbing’s bonding company; Ohio Casualty Insurance Company, Kenneth Cheek’s bonding company; and Ohio Government Risk Management Plan, Emma Jean Butler’s bonding company, jointly and severally, in the total amount of \$860.71, and in favor of the Village of New Miami General Fund in the amount of \$631.36, Street Fund in the amount of \$172.86, and Trash Fund in the amount of \$56.49.

FINDING NUMBER 2007-016

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued check #43626 on December 6, 2006 to First Financial Bank in the amount of \$397.39. The Village provided no invoices or receipts to support this payment. Also, the Village provided no evidence of authorization or purpose for this payment. The Village Fiscal Officer and Village Mayor authorized this check for payment. The Village minutes did not document that the Council voted to approve payment of this check. There was no documentation that Council reviewed the payment for proper public purpose and authorization.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

**FINDING NUMBER 2007-016
 (Continued)**

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Joseph Ebbing, Village Fiscal Officer; Kenneth Cheek, Former Village Mayor; and Ohio Casualty Insurance Company, Kenneth Cheek’s bonding company, jointly and severally, in the amount of \$397.39, and in favor of the Village of New Miami General Fund, in the amount of \$397.39.

FINDING NUMBER 2007-017

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued check #43340 on October 20, 2006 to First Financial Bank. The credit card was in the name of Gary Vaughn, Police Chief. The Village provided no invoices or receipts to support this payment. The Village Fiscal Officer and Village Mayor authorized the check for payment and the Village minutes documented that Council voted to approve payment of a range of check numbers, including check #43340. However, there was no documentation that that before authorizing payment Council reviewed the payment for proper public purpose. The following descriptions came from the First Financial Bank credit card statement:

Description from Credit Card Statement	Amount
Galls, Inc.	\$209.96
Tractor Supply	42.10
Tractor Supply	47.88
CVS Pharmacy	32.44
Savage Refinishing	23.09

The credit card balance per the billing statement for check #43340 was \$262.56. This balance included a credit from a prior billing statement. The total amount of purchases on the billing statement was \$355.47.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Gary Vaughn in the amount of \$355.47, and in favor of the Village of New Miami General Fund.

**FINDING NUMBER 2007-017
 (Continued)**

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer; Kenneth Cheek, Former Village Mayor; and Ohio Casualty Insurance Company, Kenneth Cheek’s bonding company, are jointly and severally liable, in the amount of \$355.47, and in favor of the Village of New Miami General Fund to the extent that restitution is not obtained from Gary Vaughn.

FINDING NUMBER 2007-018

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued check #43498 on November 15, 2006 to First Financial Bank. The credit card was in the name of Gary Vaughn, Police Chief. The Village provided no invoices or receipts to support this payment. The Village Fiscal Officer and Village Mayor authorized the check for payment. The Village minutes did not document that the Council voted to approve payment of this check. There was no documentation that Council reviewed the payment for proper public purpose and authorization. The following descriptions came from the First Financial Bank credit card statement:

Description from Credit Card Statement	Amount
Savage Refinishing	\$26.81
Carquest	41.38
GT Distributors	66.94
Meijer	12.75
Kroger	251.17
Wal-Mart	55.21

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Gary Vaughn, in the amount of \$454.26, and in favor of the Village of New Miami General Fund in the amount of \$55.21 and Police Levy Fund in the amount of \$399.05.

**FINDING NUMBER 2007-018
 (Continued)**

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer; Kenneth Cheek, Former Village Mayor; and Ohio Casualty Insurance Company, Kenneth Cheek’s bonding company, are jointly and severally liable, in the amount of \$454.26, and in favor of the Village of New Miami General Fund in the amount of \$55.21 and Police Levy Fund in the amount of \$399.05 to the extent that restitution is not obtained from Gary Vaughn.

FINDING NUMBER 2007-019

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued check #46600 on December 25, 2006 to First Financial Bank. The credit card was in the name of Gary Vaughn, Police Chief. The Village provided no invoices or receipts to support this payment. The Village Fiscal Officer and Village Mayor authorized the check for payment and the Village minutes documented that Council voted to approve payment of a range of check numbers, including check #46600. However, there was no documentation that that before authorizing payment Council reviewed the payment for proper public purpose. The following descriptions came from the First Financial Bank credit card statement:

Description from Credit Card Statement	Amount
The Midwest Hotel, Columbus, Ohio	\$72.39
Cracker Barrel, Columbus, Ohio	9.16
Perkins, London, Ohio	10.77
Bob Evans, Columbus, Ohio	5.21
Pizza Hut, Columbus, Ohio	18.77
Exxon Mobil, Columbus, Ohio	28.50
Bob Evans, Columbus, Ohio	10.00
Bon Vie, Columbus, Ohio	15.82
Exxon Mobil, Columbus, Ohio	20.00
Clarion Hotel & Suites, Columbus, Ohio	217.17
Wal-Mart, Hamilton, Ohio	37.08
Over credit line fee	29.00
Galls, Inc., Kentucky	100.96

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

**FINDING NUMBER 2007-019
 (Continued)**

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code, Section 117.28**, a Finding for Recovery for public monies illegally expended is hereby issued against Gary Vaughn, in the total amount of \$574.83, and in favor of the Village of New Miami General Fund in the amount of \$215.54, and Law Enforcement Trust Fund in the amount of \$359.29.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Therefore because Joseph Ebbing, Village Fiscal Officer; Kenneth Cheek, Former Village Mayor; and Ohio Casualty Insurance Company, Kenneth Cheek’s bonding company, approved the payments, they are jointly and severally liable, in the total amount of \$574.83, and in favor of the Village of New Miami General Fund in the amount of \$215.54, and Law Enforcement Trust Fund in the amount of \$359.29, to the extent that restitution is not obtained from Gary Vaughn.

FINDING NUMBER 2007-020

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued the following checks to First Financial Bank: #44638 on January 6, 2006; #44773 on January 27, 2006; #45271 on April 17, 2006; #45426 on May 9, 2006; #45615 on June 7, 2006; #45640 on June 14, 2006; #45941 on August 1, 2006; #46049 on August 21, 2006; #46219 on September 12, 2006; #43486 on November 14, 2006; and #43625 on December 6, 2006.

The Village provided no invoices or receipts to support a portion of these payments. The Village Fiscal Officer and Village Mayor authorized the checks for payment (checks #44773 and #46219 were authorized by the Village Fiscal Officer). However, there was no documentation that that before authorizing payment Council reviewed the payment for proper public purpose. The following descriptions came from the First Financial Bank credit card statement:

Check #	Description from Credit Card Statement	Explanation	Village Credit in the Name Of	Amount
44638	Previous balance of \$162.90 plus finance charge of \$1.36	None	Jerry Cook	\$164.26
44773	US Plastics	None	Jamie Cook	89.17
45271	Meijer	None	Gary Vaughn	22.33
45426	Damon’s Grill (\$14.38) Gas America (\$40.00) Mykonos Gyros (\$5.00) Pilot (\$40.00)	None	Kenneth Cheek	99.38

**FINDING NUMBER 2007-020
 (Continued)**

Check #	Description from Credit Card Statement	Explanation	Village Credit in the Name Of	Amount
45615	Wal-Mart	"batteries" was hand-written on the billing statement	Joseph Ebbing	10.05
45640	Fisher	None	Jamie Cook	104.23
46049	Lexmark	None	Gary Vaughn	148.00
46219	Previous balance of \$73.46	None	Jamie Cook	73.46
43486	Capitol Cafe	None	Joseph Ebbing	7.00
43625	Sprint	None	Kenneth Cheek	85.18

We attempted to review the previous months' credit card statements to determine the credit card charges that were included in the previous balances, but the statements including these charges were not included in the Village records.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village's finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Jerry Cook (\$164.26); Jamie Cook (\$266.86); Gary Vaughn (\$170.33); Joseph Ebbing, Village Fiscal Officer (\$17.05); Kenneth Cheek, Former Village Mayor (\$184.56); and Ohio Casualty Insurance Company, Kenneth Cheek's bonding company, jointly and severally, in the corresponding amounts listed above, and in favor of the Village of New Miami General Fund in the amount of \$529.20, and Water Fund in the amount of \$273.86.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Joseph Ebbing, Village Fiscal Officer (\$803.06); Kenneth Cheek, Former Village Mayor (\$640.43); and Ohio Casualty Insurance Company, Kenneth Cheek's bonding company, jointly and severally, in the corresponding amounts listed and in favor of the Village of New Miami General Fund in the amount of \$529.20, and Water Fund in the amount of \$273.86.

Joseph Ebbing and Kenneth Cheek shall be secondarily liable for the illegal expenditures they authorized and approved to the extent that recovery or restitution is not obtained from Jerry Cook, Jamie Cook, Gary Vaughn, Kenneth Cheek, and Joseph Ebbing. Joseph Ebbing is primarily liable for \$10.05 of check #45615 and \$7.00 of check #43486. Kenneth Cheek is primarily liable for \$99.38 of check #45426 and \$85.18 of check #43625.

FINDING NUMBER 2007-021

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued check #47717 on June 1, 2007 to First Financial Bank. The credit card was in the name of Gary Vaughn, Police Chief. The Village provided no invoices or receipts to support this payment and the Village did not present any documentation supporting this payment. The Village Fiscal Officer and Village Mayor authorized the check for payment. There was no documentation that before authorizing payment Council reviewed the payment for proper public purpose. The following descriptions came from the First Financial Bank credit card statement:

Description from Credit Card Statement	Amount
Previous balance	\$709.83
Late payment charge	29.00
Wal-Mart	70.38
Galls, Inc.	178.76
Finance charge	8.06

We attempted to review the previous months' credit card statements to determine the credit card charges that were included in the previous balance, but the statements including these charges were not included in the Village records.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village's finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Gary Vaughn, in the amount of \$996.03, and in favor of the Village of New Miami General Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

Therefore, Joseph Ebbing, Village Fiscal Officer; Emma Jean Butler, Village Mayor; Selective Insurance Company of America, Joseph Ebbing's bonding company; and Ohio Government Risk Management Plan, Emma Jean Butler's bonding company, are jointly and severally liable, in the amount of \$996.03, and in favor of the Village of New Miami General Fund to the extent that restitution is not obtained from Gary Vaughn.

FINDING NUMBER 2007-022

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued the following checks to First Financial Bank: #47567 on May 6, 2007; #47611 on May 15, 2007; #48093 on August 10, 2007; #48279 on September 6, 2007; and #48926 on December 31, 2007.

The Village provided no invoices or receipts to support a portion of these payments. The Village Fiscal Officer and Village Mayor authorized the checks for payment; however, there was no documentation that before authorizing payment Council reviewed the payment for proper public purpose. The following descriptions came from the First Financial Bank credit card statement:

Check #	Description from Credit Card Statement	Explanation	Village Credit in the Name Of	Amount
47567	None	Payment without billing statement	Joseph Ebbing	\$59.70
47611	None	Payment without billing statement	Joseph Ebbing	77.09
48093	Meijer (\$9.87) Speedway (\$14.09)	None	Joseph Ebbing	23.96
48279	Thornton's (\$50) Thornton's (\$23)	None	Jerry Cook	73.00
48926	None	Payment without billing statement	Joseph Ebbing	41.00

We attempted to review the previous months' credit card statements to determine the credit card charges that were included in the previous balances, but the statements including these charges were not included in the Village records.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village's finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Jerry Cook in the amount of \$73.00, and Joseph Ebbing in the amount of \$201.75, and in favor of the Village of New Miami General Fund in the amount of \$274.75.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

**FINDING NUMBER 2007-022
 (Continued)**

Therefore, Joseph Ebbing, Village Fiscal Officer (\$274.75); Emma Jean Butler, Village Mayor (\$274.75); Selective Insurance Company of America, Joseph Ebbing’s bonding company; and Ohio Government Risk Management Plan, Emma Jean Butler’s bonding company, are jointly and severally liable, in the aforementioned corresponding amounts, and in favor of the Village of New Miami General Fund to the extent that restitution is not obtained from Jerry Cook and Joseph Ebbing.

FINDING NUMBER 2007-023

Finding for Recovery

Ohio Revised Code, Section 149.351, states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions.”

The Village issued check #46680 on January 10, 2007, and check #46856 on January 27, 2007, to First Financial Bank. The credit card was in the name of Jamie Cook, water superintendent. The Village provided no invoices or receipts to support these payments. The Village Fiscal Officer and Village Mayor authorized the checks for payment; however, there was no documentation that that before authorizing payment Council reviewed the payment for proper public purpose. The following descriptions came from the First Financial Bank credit card statement:

Check #	Description from Credit Card Statement	Explanation	Amount
46680	CEUPlan Spring Hill FL (\$19.95) CEUPlan Spring Hill FL (\$19.95) CEUPlan Spring Hill FL (\$21.95) CEUPlan Spring Hill FL (\$21.95) CEUPlan Spring Hill FL (\$24.95) CEUPlan Spring Hill FL (\$31.95)	Requisition prepared by Jamie Cook stated purchase was for on-line training courses	\$140.70
46856	CEUPlan Spring Hill FL (\$31.95) CEUPlan Spring Hill FL (\$109.95) CEUPlan Spring Hill FL (\$19.95) CEUPlan Spring Hill FL (\$19.95) CEUPlan Spring Hill FL (\$21.95) CEUPlan Spring Hill FL (\$31.95)	Requisition prepared by Jamie Cook stated purchase was for training for Jamie Cook for contact hours on operator license	235.70

The credit card balance per the billing statement for check #46680 was \$116.04. This balance included a credit balance of \$24.66 from a prior billing statement. The total amount of purchases on the billing statement was \$140.70.

The credit card balance per the billing statement for check #46856 was \$354.15. This balance included a balance of \$116.04 from a prior billing statement and a finance charge of \$2.41. The total amount of purchases on the billing statement was \$235.70.

The failure to maintain adequate support for expenditures could result in a loss of accountability over the Village’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

FINDING NUMBER 2007-023
(Continued)

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Jamie Cook in the amount of \$376.40, and in favor of the Village of New Miami General Fund.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

Therefore, because Joseph Ebbing, Village Fiscal Officer (\$376.40); Kenneth Cheek, Former Village Mayor (\$376.40); and Ohio Casualty Insurance Company, Kenneth Cheek's bonding company, approved the payments, they are jointly and severally liable, in the amount of \$376.40, and in favor of the Village of New Miami General Fund, to the extent that restitution is not obtained from Jamie Cook.

FINDING NUMBER 2007-024

Material Weakness/Noncompliance

Ohio Revised Code, Section 733.28, requires the Village Fiscal Officer to maintain the books of the Village and exhibit accurate statements of monies received and expended. **Ohio Admin. Code Section 117-2-02(A)** requires that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

Review of the Village's accounting system noted the following exceptions:

- The Village did not accurately reconcile its bank account to fund balances during the two year audit period. However, the Village provided reconciled balances prior to the start of audit procedures [audit procedures started in October 2008]. The Village's outstanding checklist contains checks that are several years old.
- The Village's financial statements reported only partially classified receipts and disbursements.
- The Village used checks out of sequential order.
- The Village did not maintain a receipts ledger or appropriation ledger. The Village presented all financial activity for audit on Excel spreadsheets. The Village had a computer system through the Auditor of State Uniform Accounting Network (UAN) and continued to make service payments to the State for this system during the audit period [\$4,875 in 2007]. The Village did not begin utilizing the UAN system until 2009.
- The Village did not post budgetary data to a budgetary ledger to be used for monitoring purposes.
- As noted below and in Finding 028, the Village did not post loan payments made during the audit period to the proper fund.

FINDING NUMBER 2007-024
(Continued)

- The Village did not record Ohio Water Development Authority (OWDA) capitalized interest of \$11,230 for 2006 and capitalized interest and fee of \$760 for 2007.
- The Village did not record OWDA on-behalf payments of \$48,170 in 2007 as loan proceeds and related capital outlay.
- The Village did not record Ohio Public Works Commission (OPWC) on-behalf payments of \$258,222 in 2006 and \$114,715 in 2007 as intergovernmental receipts and related capital outlay.
- The Village did not record Community Development Block Grant (CDBG) on-behalf payments of \$84,420 in 2006 as intergovernmental receipts and related capital outlay.
- The Village posted expenditures to improper funds. Audit adjustments were required to properly report expenditures in the accompanying financial statements (\$18,893 of adjustments for 2006; \$49,896 of adjustments for 2007).
- Debt service payments were not properly reported on the financial statements (\$108,841 for 2006; \$120,319 for 2007).
- OWDA loan proceeds were not properly reported on the financial statements (\$53,502 for 2006; \$65,760 for 2007).

Failure to accurately maintain the Village's account records 1) reduces the accountability over Village funds, 2) reduces the Council's ability to monitor financial activity, 3) increases the likelihood that monies will be misappropriated and not detected, and 4) increases the likelihood that the Village's financial statements will be misstated. The Village has properly adjusted / reclassified the transactions described above in the accompanying financial statements, as well as the Village's accounting records.

We recommend:

- The Village Fiscal Officer reconcile accurately on a monthly basis. The Fiscal Officer should document and adequately explain other adjustment factors. Deposits in transit should be documented by receipt numbers reflecting the date, amount, and source of the deposit in transit. These deposits in transit should trace to the subsequent month's bank statement. Village officials should review and sign the reconciliations indicating their approval. The Fiscal Officer should document adjustments and any unexplained differences should be investigated and resolved immediately. Outstanding checks older than one year should be investigated and appropriate actions taken to remove them from the reconciliation if they no longer apply. Carrying outstanding checks for more than one year could cause reconciling difficulties. Also, the outstanding checklist contains checks that were voided. These same checks have also not been marked as voided in the accounting system. We recommend that the Village implement procedures to properly void checks from both the accounting system and the outstanding checklist.
- The Village Fiscal Officer accurately maintain the Village's accounting records using the Ohio Admin. Code, Section 117-2-02 and the Village Officers Handbook as guidance. The Village Officers Handbook can be found at:
www.auditor.state.oh.us/LGS/Publications/LocalGovernmentManualsHandbooks/village_officers_handbook.pdf.
- The Village utilize a computerized accounting package that can provide those ledgers (appropriation and receipt ledger) necessary for the Village's use.

**FINDING NUMBER 2007-024
(Continued)**

- The Village develop policies and procedures to enhance its controls over recording of financial transactions and financial reporting to help ensure the information accurately reflects the activity of the Village and thereby increasing the reliability of the financial data throughout the year. We also recommend the Village implement additional procedures over the completeness and accuracy of financial information reported within the annual financial report. Such procedures may include review of the financial statements and related components by a member of management and / or Council with analytical comparisons of the current year annual report to the prior year reports for obvious errors or omissions.

FINDING NUMBER 2007-025

Noncompliance

Ohio Revised Code, Section 117.38, provides that each public office, other than a state agency, shall file an annual financial report for each fiscal year. The Auditor of State may prescribe form by rule or may issue guidelines, or both for such report. If the Auditor of State has not prescribed a rule regarding the form of the report, the public office shall submit its report on the form utilized by the public office. The public office shall publish notice of the annual report completion in a newspaper published in the political subdivision, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district.

The Village did not publish notice for the 2007 annual report. The Village did not publish notice for the 2006 annual report until December 2007. The Village did not timely file the annual reports with the Auditor of State. The Village did not file the 2006 annual financial report with the Auditor of State until January 7, 2008. The Village did not file the 2007 annual financial report until December 9, 2008. Failure to file an annual financial report with the Auditor of State by the required deadline could result in fines and penalties. We recommend that the Village file annual financial reports with the Auditor of State and annually publish notice of the availability of the completed annual report.

FINDING NUMBER 2007-026

Significant Deficiency

When designing the public office's system of internal control and the specific control activities, management should ensure that all transactions are properly authorized in accordance with management's policies and ensure adequate security of assets and records.

The Village issued gasoline credit cards with individual PIN numbers to several Village employees. The Village did not have procedures in place to monitor accountability governing these purchases.

We examined all available Fleet One billing statements from the audit period. The Village maintained only a few original gas charge receipts (they were attached to the billing statements). All statements examined contained numerous exception codes for "Odometer Errors". Also (for example) the fleet monthly totals indicated Village vehicles were getting 217 miles per gallon and the year to date total was 854 miles per gallon (per the December 2007 billing statement). While the credit card bill identifies vehicles by the PIN numbers, this would not prohibit a Village employee from refueling personal vehicles at Village expense. The Village paid these bills without investigating these discrepancies.

**FINDING NUMBER 2007-026
(Continued)**

We recommend that the Village adopt a written policy governing the use of gas credit cards. The policy should include, but not be limited to, maintaining a mileage log identifying the vehicle, driver, odometer readings and actual number of miles traveled on official business. The employee and his/her supervisor should sign this log and provide it to the Fiscal Officer. The policy should also list authorized credit card users, and how to secure the credit cards.

FINDING NUMBER 2007-027

Material Weakness

When designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

The Village lacks management oversight in the posting of receipts. This lack of oversight is illustrated by the following:

- The Village posted some income tax receipts to the General Fund at net, instead of gross (\$1,517 for 2006; \$15,445 for 2007).
- The Village posted some receipts for State gasoline tax to the General Fund (\$6,052) instead of the Street (\$5,598) and State Highway (\$454) Funds in 2006.
- The Village did not properly allocate some receipts for State gasoline tax to the Street and State Highway Funds (\$7,680 for 2006; \$1,473 for 2007).
- The Village posted some receipts for State gasoline cents per gallon tax to the General Fund (\$3,034) instead of the Street (\$2,807) and State Highway (\$227) Funds in 2006.
- The Village did not properly allocate a homestead and rollback receipt between the General (-\$21 for 2006; -\$11,104 for 2007), Fire (\$3 for 2006; \$1,822 for 2007), and Police (\$17 for 2006; \$9,282 for 2007).
- The Village posted a public utility reimbursement receipt to the General Fund instead of the Police Fund (\$364 in 2006).
- The Village posted County excess IRP motor vehicle registration fees the General Fund (\$149 for 2006; \$154 for 2007) instead of the Street (\$138 for 2006; \$142 for 2007) and State Highway (\$11 for 2006; \$12 for 2007) Funds.
- The Village posted County motor vehicle registration fees to the General Fund (\$6,126 for 2006; \$11,810 for 2007) and PMVLT Fund (\$8,242 for 2006; \$2,200 for 2007) instead of the Street (\$13,290 for 2006; \$12,960 for 2007) and State Highway (\$1,078 for 2006; \$1,051 for 2007) Funds.
- The Village posted Federal Emergency Management Agency (FEMA) grant money (\$4,405) to the General Fund instead of a FEMA fund in 2006.
- The Village did not record Community Development Block Grant (CDBG) money spent on behalf of the Village (\$84,420) for 2006.

FINDING NUMBER 2007-027
(Continued)

- The Village posted Ohio Public Works Commission (OPWC) grant money (\$2,394) to Fund 4502-Augspurper Phase II, instead of Fund 4203-SR 127 Extension/Water Tower in 2006.
- The Village did not record OPWC grant money spent on behalf of the Village (\$258,222 for 2006; \$114,715 for 2007).
- The Village posted one Hamilton Municipal Court fine receipt of \$170 in 2006 to the General Fund rather than Fund 2081-Drug Fund.
- The Village recorded a receipt for personal property tax at net, instead of gross in 2007: General Fund (\$18); Fire Fund (\$8); Police Fund (\$40).
- The Village recorded some receipts for manufactured homes tax at net, instead of gross in 2007: General Fund (\$19); Fire Fund (\$7); Police Fund (\$35).
- The Village recorded exempt personal property tax and estate tax in the General Fund at net, instead of gross in 2007 (\$15).
- The Village prepared unclassified financial statements. Adjustments were required to properly report the following receipts: Property and Local Taxes (\$151,203 for 2006; \$145,649 for 2007); Municipal Income Tax (\$170,336 for 2006; \$158,586 for 2007); Intergovernmental (\$772,721 for 2006; \$392,949 for 2007); and Hamilton Municipal Court fines (\$56,545 for 2006; \$43,975 for 2007).

Adjustments were posted to the accompanying financial statements and the Village's accounting records. Failure to properly post revenue can result in inaccurate records and cause the Village to misappropriate funds. We recommend that the Village properly post all federal, state, and local revenue receipts. Receipts posted to the receipt ledger should be reviewed for accuracy. Comparisons between years may aid in the determination if a receipt has been properly posted.

FINDING NUMBER 2007-028

Material Weakness/Noncompliance

Ohio Revised Code, Section 5705.09(F), requires the Village to establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. Upon establishing a fund, estimated receipts should be certified to the County Auditor as available for expenditure and anticipated expenditures should be included in the Village's appropriations.

As further discussed in Auditor of State Bulletin 2000-008, the Fiscal Officer shall record the appropriations in accordance with the terms and conditions of the on-behalf grant or project agreement. In addition, prior to the Village recording the appropriations, Ohio Revised Code Section 5705.40 requires the legislative authority to pass a resolution amending its appropriation measure.

The Fiscal Officer did not record the Ohio Public Works Commission (OPWC) and Community Development Block Grant (CDBG) monies disbursed on behalf of the Village during the audit period, nor was the grant money included in the appropriations by the Village Council. The accompanying financial statements have been adjusted to reflect receipts and disbursements of \$258,222 (OPWC) and \$84,420 (CDBG) for the year ended December 31, 2006 and \$114,715 (OPWC) for the year ended December 31, 2007.

**FINDING NUMBER 2007-028
(Continued)**

The Fiscal Officer did not record the Ohio Water Development Authority (OWDA) loan monies of \$48,170 disbursed on behalf of the Village, nor was the loan money included in the appropriations by the Village Council for fiscal year 2007. The Fiscal Officer did not post OWDA fees and capitalized interest to the books [capitalized interest for 2006 of \$11,230; capitalized interest and fee for 2007 of \$760]. The accompanying financial statements have been adjusted to reflect receipts and disbursements of \$11,230 for the year ended December 31, 2006 and \$48,930 for the year ended December 31, 2007.

Failure to record these items can result in misleading financial statements. We recommend that the Village following the accounting treatment as prescribed in Auditor of State Bulletin 2000-008 for on-behalf grants.

As further discussed in Auditor of State Bulletin 1998-013, grants received from the Federal Emergency Management Agency (FEMA) must be placed in a FEMA fund. The FEMA fund can then transfer this money to the fund that incurred the expenditures reimbursed by the grant.

The Village failed to establish a separate fund for the Federal Emergency Management Agency federal activity (\$4,405) in 2006. The Village recorded the activity of this grant in the General Fund. A separate fund would allow the Village to maintain a clear record of the receipts and disbursements made from this restricted revenue. We recommend the Village establish a special fund for each class of revenues derived from a source other than the general property tax. The Village should follow the accounting treatment as prescribed in Auditor of State Bulletin 1998-013 for FEMA grants.

FINDING NUMBER 2007-029

Material Weakness/Noncompliance

Ohio Revised Code, Section 149.351, provides that no public records shall be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Ohio Rev. Code Sections 149.38 to 149.42.

In addition, **Ohio Revised Code, Section 149.39**, states in part that when records have been approved for disposal, a copy of such records application or schedule shall be sent to the Ohio historical society, who upon completion of its review, shall forward it on to the Auditor of State. If the Auditor disapproves the action by the Village's record commission in whole or in part, she shall inform the Village's records commission within a period of sixty days and these records shall not be destroyed. Before public records are otherwise disposed of, the Ohio Historical Society shall be informed and given the opportunity for a period of fifteen business days to select for its custody or disposal such records as it considers to be of continuing historical value.

The following records could not be located:

- County auditor certificates for 2006 and 2007
- Tax budgets adopted during the audit period
- Certificates of the total amount available for expenditure for 2006 and 2007
- Certificates of estimated resources for 2006 and 2007
- Exhibit A from Ordinance 1708 adopting temporary appropriations for 2006 (Exhibit A was not in the ordinance book)

**FINDING NUMBER 2007-029
 (Continued)**

- Exhibit A from Ordinance 1760 adopting amended appropriations for 2007 (Exhibit A was not in the ordinance book)
- Time sheets were missing for the following payroll checks: 2006 – 46166, 46325, 43532, 46065, 44737, 43448, 43534, 43569; 2007 – 47404, 47776, 46764, 46952, 47665, 48058, 48680, 48830, 47049, 47246, 47887, 47689, 48165, 46829.
- Supporting documentation for numerous expenditures (see the table below). Findings for recovery were issued for several of these expenditures (see Finding 2007-001 through 2007-023). However, for the remaining expenditures listed below we were able to perform alternative audit procedures or obtain other corroborating evidence.

Check Number	Check Date	Vendor/Payee	Amount
44735	1/19/06	Aaron Andrews	\$30.00
45975	8/10/06	Advance Auto Parts	\$75.64 (no invoices for \$45.17)
45576	6/2/06	Al Couch Farm Market	22.40
44780	1/31/06	B.C.D.E.S.	9,942.15
46593	12/14/06	Butler County Clerk of Courts	5.00
46597	12/19/06	Butler County Clerk of Courts	5.00
44711	1/19/06	BWC State Insurance Fund	33,910.94
46198	9/11/06	Cincinnati Bell Telephone	234.47
46316	10/2/06	Cincinnati Bell Telephone	82.74
45232	4/7/06	Duke Energy	7.59
46352	10/10/06	Duke Energy	486.69
46149	9/5/06	Dunkelberger Lawn & Garden	61.23
43340	10/20/06	First Financial Bank	262.56
43486	11/14/06	First Financial Bank	\$395.30 (no invoices for \$21.40)
43498	11/15/06	First Financial Bank	454.26
43625	12/6/08	First Financial Bank	85.18
43626	12/6/08	First Financial Bank	397.39
44638	1/6/06	First Financial Bank	164.26
44773	1/27/06	First Financial Bank	89.17
44835	2/7/06	First Financial Bank	\$588.10 (no invoices for \$65.18)
45010	3/6/06	First Financial Bank	19.82
45271	4/17/06	First Financial Bank	\$26.65 (no invoice for \$22.33)
45425	5/9/06	First Financial Bank	\$183.30 (no invoices for \$43.50)
45426	5/9/06	First Financial Bank	99.38
45478	5/19/06	First Financial Bank	277.86
45615	6/7/06	First Financial Bank	10.05
45640	6/14/06	First Financial Bank	\$243.64 (no invoice for \$104.23)
45784	7/5/06	First Financial Bank	4.64
45785	7/5/06	First Financial Bank	797.69
45941	8/1/08	First Financial Bank	48.80

**FINDING NUMBER 2007-029
(Continued)**

Check Number	Check Date	Vendor/Payee	Amount
46049	8/21/06	First Financial Bank	\$462.69 (no invoice for \$148)
46152	9/5/06	First Financial Bank	34.15
46219	9/12/06	First Financial Bank	\$210.92 (no invoices for \$73.46)
46600	12/25/06	First Financial Bank	574.83
44995	3/2/06	Fleet One	1,436.42
46200	9/11/06	Gary Sheets	\$838.69 (no invoice for \$5.36)
46166	9/8/06	James Harris	321.16
46325	10/6/06	James Harris	321.59
43532	11/17/06	James Harris	396.57
46065	8/25/06	Jamie Cook	1,503.03
46188	9/8/06	Jones Warner Consultants, Inc.	\$9,996.60 (no invoices for \$1,087.35)
44709	1/13/06	Joseph Ebbing	229.95
43361	10/21/06	KOI-Savage Auto Parts Hamilton	74.49
44737	1/13/06	Krista Adams	345.01
43491	11/15/06	Lowe's Business Account	15.58
45778	7/5/06	Marathon Petroleum Company LLC	141.52
43522	11/15/06	Midwest Pipe & Supply Co.	1,448.68
45005	3/6/06	Mobilcomm, Inc.	113.53
45805	7/12/06	Neighborhood Housing Services	100.00
46117	9/1/06	New Miami Water Department	150.00
44998	3/2/06	Ohio Dept. of Job & Family Services	265.13
45843	7/17/06	Patti Hanes	20.00
44830	2/7/06	Pohlman Tire, Inc.	116.00
45761	7/3/06	Quinlan Publishing Group	187.00
43448	11/3/06	Randy Lipps	457.71
43534	11/17/06	Randy Lipps	691.62
44800	2/3/06	Red Bird Service	48.45
43569	12/1/06	Rikki Bennett	483.90
46047	8/21/06	Roy Tailor Uniform	332.25
43409	10/30/06	Rumpke	75.32
44708	1/13/06	Staples Credit Plan	799.98
46603	12/25/06	Staples Credit Plan	111.59
46599	12/21/06	T. Shawn Campbell	1,050.00
45916	7/31/06	Tractor Supply Company	57.24
46364	10/12/06	Treasurer, State of Ohio	2,631.00
46632	12/29/06	Treasurer, State of Ohio	90.00
45678	6/15/06	UCRC	3.00
43369	10/21/06	U.S. Postmaster	39.00
43476	11/8/06	U.S. Postmaster	39.00
46044	8/18/06	U.S. Postmaster	39.00
46555	12/13/06	U.S. Postmaster	39.00
45814	7/12/06	Vickers Wrecking, Inc.	5,995.00
44676	1/10/06	Vogelpohl Fire Equipment, Inc.	110.14

**FINDING NUMBER 2007-029
(Continued)**

Check Number	Check Date	Vendor/Payee	Amount
46559	12/13/06	W.S. Darley & Co.	234.60
48911	12/31/07	American Airworks	427.23
47404	4/12/07	Ann Smith	587.44
47068	2/28/07	Butler County Clerk of Courts	600.00
48342	9/14/07	CiCi's Pizza	51.92
47133	3/9/07	Cincinnati Bell Telephone	72.76
47134	3/9/07	Cincinnati Bell Telephone	60.51
47604	5/15/07	Dorothy Edgerton	220.00
47549	5/6/07	Edward Schutzman	180.00
47600	5/15/07	Edward Schutzman	300.00
47842	6/16/07	Edward Schutzman	660.00
46680	1/10/07	First Financial Bank	116.04
46856	1/27/07	First Financial Bank	238.11
47157	3/9/07	First Financial Bank	31.20
47335	4/6/07	First Financial Bank	68.14
47339	4/6/07	First Financial Bank	\$333.92 (no invoices for \$89.92)
47341	4/6/07	First Financial Bank	\$334.02 (no invoices for \$48.02)
47567	5/6/07	First Financial Bank	59.70
47611	5/15/07	First Financial Bank	77.09
47717	6/1/07	First Financial Bank	996.03
47719	6/8/07	First Financial Bank	\$423.49 (no invoices for \$30)
48093	8/10/07	First Financial Bank	\$359.94 (no invoices for \$23.96)
48279	9/6/07	First Financial Bank	73.00
48926	12/31/07	First Financial Bank	41.00
47093	3/1/07	Gary Sheets	833.33
47776	5/31/07	Jackie Cornett	326.27
46764	1/12/07	Jason Testa	493.47
46952	2/9/07	Jason Testa	470.92
47665	5/31/07	Jason Testa	287.31
48058	8/10/07	Krista Adams	634.15
48586	10/29/07	Linda Hix	94.88
48627	11/5/07	Linda Hix	508.88
48769	11/30/07	Linda Hix	491.61
48887	12/21/07	Linda Hix	425.50
46968	2/9/07	Louis Nunn	\$256.37 net (\$300 gross)
48680	11/15/07	Louis Nunn	1,098.45
46984	2/9/07	Lowe's Business Account	29.00
48130	8/10/07	Lowe's Business Account	16.97
48198	8/28/07	Lowe's Business Account	12.65
48713	11/21/07	Lowe's Business Account	46.49
48830	12/13/07	Marty Mooney	781.93
47770	6/11/07	Office Depot Credit Card Plan	95.66
46985	2/9/07	OSU Extension, Butler County	121.50

**FINDING NUMBER 2007-029
 (Continued)**

Check Number	Check Date	Vendor/Payee	Amount
47405	4/12/07	Patti Hanes	194.57
47049	2/22/07	Randy Lipps	879.96
47246	3/22/07	Randy Lipps	664.79
47887	6/29/07	Richard Fryman	29.56
47689	6/1/07	Rikki Bennett	79.97
48165	8/23/07	Rikki Bennett	774.21
48427	9/28/07	Rumpke	96.65
46829	1/26/07	Sherman Niesen	239.52
47605	5/15/07	Sovereign Title Agency LLC	109.59
47282	3/28/07	Sprint	399.46
48556	10/22/07	Staples Credit Plan	199.98
48557	10/22/07	Staples Credit Plan	278.58
48558	10/22/07	Staples Credit Plan	149.98
48559	10/22/07	Staples Credit Plan	36.29
48560	10/22/07	Staples Credit Plan	12.67
48871	12/17/07	Staples Credit Plan	37.23
48906	12/31/07	Staples Credit Plan	91.67
46665	1/10/07	Tom Hicks	143.73
46689	1/10/07	Tractor Supply Company	5.93
47164	3/9/07	Tractor Supply Company	8.78
47165	3/9/07	Tractor Supply Company	34.76
48202	8/28/07	Tractor Supply Company	6.20
48723	11/26/07	Tractor Supply Company	8.79
48153	8/22/07	Treasurer, State of Ohio	12.89
48211	8/28/07	Treasurer, State of Ohio	65.00
46934	2/7/07	Treasurer, State of Ohio	249.65
48517	10/16/07	Treasurer, State of Ohio	90.00
47818	6/15/07	Univar USA, Inc.	129.09
48818	12/12/07	UPS Store	2.82
47018	2/8/07	U.S. Postmaster	39.00
47601	5/15/07	U.S. Postmaster	41.00
47985	7/13/07	U.S. Postmaster	41.00
48652	11/7/07	Valley Natural Gases, Inc.	2.86
48247	8/30/07	Vegas Manufacturing	35.00
48274	9/6/07	Vision Service Plan-Ohio	159.98

The Village disposed of records without the authorization of the Village's records commission, the Auditor of State, and the Ohio Historical Society. We recommend that the Village maintain all records as required by law.

FINDING NUMBER 2007-030

Noncompliance

Ohio Revised Code, Section 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

FINDING NUMBER 2007-030
(Continued)

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Village did not properly certify the availability of funds during the audit period, nor was there evidence that the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

We recommend the Village certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

FINDING NUMBER 2007-031

Material Weakness/Noncompliance

Ohio Admin. Code, Section 117-2-02(A), states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

Ohio Admin. Code, Section 117-2-02(C)(1), states that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations. The Village did not post budgetary data (estimated resources and appropriations) to a budgetary ledger to be used for monitoring purposes. The Village did not maintain accounting ledgers which compared actual receipts to estimated receipts, nor actual expenditures plus outstanding encumbrances to appropriations. As a result of not maintaining this documentation, we noted the following control weaknesses and noncompliance with Ohio Revised Code. Most of the following conditions existed during the prior audit (see Schedule of Prior Audit Findings).

The Village did not post estimated receipts and appropriations for 2006 and 2007 to their accounting system. Failure to properly post estimated receipts and appropriations could result in excessive spending and possible negative fund balances. In addition, it could result in a more than inconsequential misstatement on the financial statement budgetary reporting. The official certificates of estimated resources and appropriation resolutions, as well as any amendments, should be promptly and accurately posted to the Village's accounting system. Once posted, the Fiscal Officer and the Finance Committee should compare the estimated resources and appropriations on the accounting system to the official documents.

Ohio Revised Code, Section 5705.36(A)(1), requires that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amount from all sources available for expenditures from each fund in the tax budget along with any unencumbered balances existing at the end of the preceding year. The Village did not complete certificates of the total amount available for expenditure for 2006 or 2007. Failure to complete said certificates could result in loss of tax funding. We recommend that the Village complete annual certificates of the total amount available for expenditure.

Ohio Revised Code, Section 5705.36(A)(2), states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be greater or less than the amount included in an official certificate, the fiscal officer may certify the amount of the deficiency or excess to the commission, and if the commission determines that the fiscal officer's certification is reasonable, the commission shall certify an amended official certificate reflecting the deficiency or excess. The Village did not complete any certificates of estimated resources during the audit period. Failure to complete said certificates could result in loss of tax funding. We recommend that the Village complete certificates of estimated resources.

Ohio Revised Code, Section 5705.41(B), states that no taxing authority shall make any expenditures of money unless it has been appropriated as provided in such chapter. Expenditures and outstanding encumbrances exceeded appropriations at December 31, 2006, as follows:

**FINDING NUMBER 2007-031
 (Continued)**

Fund	Expenditures + Outstanding Encumbrances	Appropriations	Variance
General (Fund 1000)	\$469,921	\$460,527	\$9,394
Street (Fund 2011)	100,756	20,000	80,756
Drug Law Enforcement (Fund 2081)	3,972	500	3,472
Law Enforcement Trust (Fund 2091)	449	100	349
Police Levy (Fund 2402)	160,886	72,900	87,986
FEMA (Fund 2xxx)	4,405	0	4,405
Phase II Augspurgen (Fund 4502)	18,716	1,782	16,934
Phase II Storm Water (Fund 4503)	173,275	54,291	118,984
Unnamed Capital Project (Fund 4xxx)	170,052	0	170,052
Enterprise Debt Service (Fund 5721)	108,861	108,705	156
Utility Meter Trust (Fund 5781)	8,209	8,061	148

Expenditures and outstanding encumbrances exceeded appropriations at December 31, 2007, as follows:

Fund	Expenditures + Outstanding Encumbrances	Appropriations	Variance
Street (Fund 2011)	\$122,604	\$55,700	\$66,904
COPS (Fund 2121)	33,045	27	33,018
Fire Levy (Fund 2401)	24,951	17,440	7,511
Furtherance of Justice (Fund 2901)	3,000	0	3,000
Storm Water Loan (Fund 3101)	12,787	0	12,787
Armco Bond Ret (Fund 3102)	6,499	0	6,499
Well #1 Revitalization (Fund 4204)	69,647	12,870	56,777
Unnamed Capital Project (Fund 4xxx)	109,858	0	109,858
Butler County Sewer (Fund 9901)	345,235	194,215	151,020

Failure to properly monitor appropriations and amend appropriations could result in the illegal expenditure of monies and possible deficit fund balances. The Fiscal Officer should deny payment requests which exceed appropriations. The Fiscal Officer may request the Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

Ohio Revised Code, Section 5705.10(H), states money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The following funds had negative fund balances at December 31, 2006, and December 31, 2007, partly due to Auditor of State fund balance adjustments:

**FINDING NUMBER 2007-031
 (Continued)**

Fund	December 31, 2006	December 31, 2007
Fire Grant (2026)	\$(14,202.68)	\$(14,202.68)
COPS (2121)	(24,036.88)	(57,082.34)
OVI (2122)	(1,933.85)	(1,933.85)
Fire Levy (2401)	(643.56)	(8,088.21)
Furtherance of Justice (2901)	(11,744.96)	(14,744.96)
S.R. 127 Extension & Water Tower (4203)	(10,326.27)	(10,326.27)
Well #1 Revitalization (4204)		(3,886.60)
Phase II Augspurgen (4502)	(27,072.07)	(27,072.07)
Enterprise Debt Service (5721)	(170,602.28)	(271,634.99)

We recommend that the Village monitor fund balances and take corrective action such as advancing funds, if possible.

FINDING NUMBER 2007-032

Noncompliance

26 U.S.C. Sections 3401 through 3406 & Section 3102(a), require employers to withhold federal income taxes and employment related taxes (such as Medicare) from employees' earnings and to remit the withholdings to the U.S. Treasury in a timely manner. During the audit period the Village withheld federal income taxes and related taxes from the employees' earnings, but failed to remit a total of \$9,116 as of December 31, 2007 (which includes the previous audit period of 2004 and 2005 also), to the U.S. Treasury. Failure to promptly remit payments could result in unnecessary payments for penalties and interest. We recommend management monitor payment deadlines and ascertain payments to the Internal Revenue Service (IRS) are paid by the due date.

Ohio Revised Code, Sections 5747.06(A) & 5747.07, provide, in part, that every employer, including the state and its political subdivisions, maintaining an office or transacting business within this state and making payment of any compensation to an employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a tax from employees' earnings and to remit the withholdings to the Ohio Department of Taxation in a timely manner. During the audit period the Village withheld state income taxes from the employees' earnings, but failed to remit a total of \$5,806 as of December 31, 2007 (which includes the previous audit period of 2004 and 2005 also), to the Ohio Department of Taxation. Failure to promptly remit payments could result in unnecessary payments for penalties and interest. We recommend management monitor payment deadlines and ascertain payments to the Ohio Department of Taxation are paid by the due date.

Ohio Revised Code, Section 145.47(A), states that each public employee who is a contributor to the public employees retirement system shall contribute eight per cent of the contributor's earnable salary to the employees' savings fund, except that the public employees retirement board may raise the contribution rate to a rate not greater than ten per cent of the employee's earnable salary. The section further requires that the fiscal officer of each local authority subject to this chapter shall transmit promptly to the system a report of contributions. During the audit period the Village withheld retirement contributions from the employees' earnings, but failed to remit a total of \$22,001, including employer portions, as of December 31, 2007 (which includes the previous audit period of 2004 and 2005 also), to Ohio Public Employees Retirement System (OPERS). Failure to promptly remit payments could result in unnecessary payments for penalties and interest. We recommend management monitor payment deadlines and ascertain payments to OPERS are paid by the due date.

FINDING NUMBER 2007-032
(Continued)

Ohio Revised Code, Section 742.32, states, in part, that the fiscal officer of each employer shall transmit monthly to the secretary of the board of trustees of the Ohio police and fire pension fund a report of employee deductions. During the audit period the Village withheld retirement contributions from the employees' earnings, but failed to remit a total of \$3,900, including employer portions, as of December 31, 2007, to Ohio Police & Fire Pension Fund (OP&FPF). Failure to promptly remit payments could result in unnecessary payments for penalties and interest. We recommend management monitor payment deadlines and ascertain payments to OP&FPF are paid by the due date.

During the audit period the Village withheld local income taxes (City of Hamilton, Village of New Miami), Village of Greenhills, and City of Trenton, school district, AFLAC dues, Fraternal Order of Police (FOP) dues, child support, and IRS wage levies from the employees' earnings, but failed to remit a total of \$6,091 (Hamilton/Village of New Miami), \$113, \$19, \$728, \$134, \$1,097, \$1,862, and \$68, respectively, as of December 31, 2007 (which includes the previous audit period of 2004 and 2005 also), to the various agencies. The Village also failed to remit \$300 to the credit union, which was withheld during the previous audit period of 2004 and 2005. Failure to promptly remit payments could result in unnecessary payments for penalties and interest. We recommend management monitor payment deadlines and ascertain payments to the various agencies are paid by the due date.

FINDING NUMBER 2007-033

Material Weakness

When designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

The Village lacks management oversight in the posting of payroll expenditures. This lack of oversight is illustrated by the following:

- The Village posted several payroll expenditures to improper funds. For 2006 adjustments in the amount of \$4,277 were required. For 2007 adjustments in the amount of \$5,300 were required. The accompanying financial statements include fund balance adjustments for these expenditures. The Village's accounting records have also been adjusted to reflect the necessary adjustments.
- Several timesheets were not approved by supervisory personnel. Council did not always formally approve salaries and pay rates in the minutes.
- The Village paid \$30 to Aaron Andrews, auxiliary police officer (Ck. 44735, 1/19/06). This payment was not supported by a timesheet.
- Ck. 45057, 3/10/06 to Roger Sprinkle: his timesheet indicated one shift was worked, but he was paid for two shifts (\$30 overpayment).
- Ck. 45867, 7/28/06 to Bryan Beckner: his timesheet indicated three days were worked, but he was paid for four days (\$100 overpayment).
- Ck. 45601, 6/2/06 to Darrell Adams: the fire department clothing allowance memo indicated he was to be paid \$189; however, he was only paid \$50.
- Ck. 46062, 8/25/06 to Howard Beare: his timesheet indicates one on-call duty; however, he was not paid for any on-call duty.

FINDING NUMBER 2007-033
(Continued)

- Ck. 46585, 12/15/06 to Howard Beare: his timesheet indicated 83 regular hours; however, he was paid for 80 regular hours.
- Ck. 46620, 12/29/06 to Howard Beare: his timesheet indicated indicated 86.75 regular hours and 6.5 overtime hours; however, he was paid for 86 regular hours and 7.25 overtime hours (\$3.96 overpayment).
- Ck. 44951, 2/24/06 to Jamie Cook: his timesheet indicated 11 overtime hours; however, he was paid for 10 overtime hours.
- Ck. 45453, 5/19/06 to Jarrod Fitzgerald: his timesheet indicated 57 hours; however, he was paid for 53 hours.
- Ck. 45293, 4/21/06 to Jason Testa: his signed timesheet indicated 46 hours; however, he was paid for 51 hours (\$50 overpayment).
- Ck. 45459, 5/19/06 to Jason Testa: his timesheet indicated 60 hours; however, he was paid for 40 hours.
- Ck. 44679, 1/13/06 to Krista Adams: her timesheet indicated 64 regular hours and 15.5 overtime hours; however, she was paid for 79.5 regular hours.
- Ck. 43531, 11/17/06 to Linda Hampton: her timesheet indicated 80.5 regular hours; however, she was paid 80 regular hours and .5 overtime hours (\$3.81 overpayment).
- On several payments to Linda Hix in 2006, her overtime hours were paid at \$17.50/hour rather than \$17.25/hour (total overpayment of \$10.49)[Ck. 44760, 44766, 44868, 44875, 44954, 44960, 45044, 45051, 45116, 45126, 45221, 45222, 45289, 45295].
- Ck. 45719, 6/30/06 to Linda Hix: she was paid for bank runs and a \$1 reimbursement; these items were not documented on her timesheet (\$9 overpayment).
- Ck. 43324, 10/20/06 to Louis Nunn: four overtime hours were indicated on his timesheet, but it was marked off to two hours; he was paid four overtime hours (\$41.91 overpayment).
- Ck. 46619, 12/29/06 to Louis Nunn: his timesheet indicated 81.25 regular hours; however, he was paid for 80 regular hours and 1.25 overtime hours (\$8.73 overpayment).
- Ck. 45284, 4/21/06 to Michael Broughton: his timesheet indicated 72 regular hours and 10 overtime hours; however, he was paid for 80 regular hours.
- Ck. 45886, 7/28/06 to Nathan Carberry: he was paid for 1.5 overtime hours; no overtime hours were documented on his timesheet (\$19.13 overpayment).
- Ck. 45114, 3/24/06 to Tim Andrews: he was paid an extra \$40.69; the reason for this extra payment was not documented (\$40.69 overpayment).
- Ck. 46598, 12/11/06 to Tony Valerio: the fire department clothing allowance memo indicated he was to be paid \$156; however, he was paid \$204 (\$48 overpayment).

FINDING NUMBER 2007-033
(Continued)

- Ck. 43566, 12/1/06 to Krista Adams: per her signed time report she worked 78 hours; however, per her timesheet attached to the signed time report, she also worked 16 additional holiday hours. She was paid correctly for the holiday hours.
- Ck. 43529, 11/17/06 to Michael Broughton: per his signed time report he worked 80 hours; however, per his timesheet attached to the signed time report, he also worked 8 additional holiday hours. He was paid correctly for the holiday hours.
- Ck. 43571, 12/1/06 to Michael Broughton: per his signed time report he worked 80 hours; however, per his timesheet attached to the signed time report, he also worked 8 additional holiday hours. He was paid correctly for the holiday hours.
- Ck. 46241, 9/22/06 to Randy Lipps: per his timesheet he only worked 16 hours; however, per timecards for that same time period he worked 56 hours. He was paid correctly for the 56 hours.
- Ck. 46749, 1/12/07 to Aaron Andrews: he was paid three shifts (\$90); however, his timesheet indicated two shifts (\$60) plus eight regular hours at \$9/hour.
- Ck. 46763, 1/12/07 to Ann Smith: she was paid seven shifts (\$210); however, her timesheet indicated two shifts (\$60) plus 40 regular hours at \$9/hour.
- Ck. 47250, 3/22/07 to Ann Smith: she was paid 12.5 shifts (\$375); however, her timesheet indicated nine shifts (\$270) plus 28 regular hours at \$12/hour.
- Ck. 46766, 1/12/07 to Brian Vogel: he was paid four shifts (\$120); however, his timesheet indicated two shifts (\$60) plus 16 regular hours at \$9/hour.
- Ck. 46817, 1/12/07 to Christie Dermon: she was paid for one shift (\$30); however, her timesheet indicated eight regular hours at \$9/hour.
- Ck. 47999, 7/26/07 to Howard Beare: his timesheet indicated one on-call duty; however, he was not paid for any on-call duty. Also, \$1.04 was subtracted from his gross pay. The reason for this deduction was not documented.
- Ck. 48286, 9/6/07 to Howard Beare: his timesheet indicated two on-call duties; however, he was not paid for any on-call duty. Also, his overtime hours were paid at \$16.62/hour rather than \$20.40/hour.
- Ck. 47992, 7/26/07 to James Harris: his timesheet indicated 47 hours; however, he was paid for 46.5 hours.
- Ck. 48280, 9/6/07 to James Kimball: his timesheet indicated 64 hours; however, he was paid for 63 hours.
- Ck. 48379, 9/20/07 to James Kimball: his timesheet indicated 70 hours; however, he was paid for 63 hours.
- Ck. 48529, 10/18/07 to James Kimball: his timesheet indicated 63 regular hours and 7 holiday hours; however, he was only paid for 59.5 regular hours.

**FINDING NUMBER 2007-033
(Continued)**

- Ck. 46760, 1/12/07 to Keith McRoberts: he was paid three shifts (\$90); however, his timesheet indicated one shift (\$30) plus 16 regular hours at \$9/hour.
- Ck. 46756, 1/12/07 to Linda Hampton: her timesheet indicated 80 hours; however, she was paid for 81 hours (\$15.27 overpayment).
- Ck. 47244, 3/22/07 to Linda Hampton: her timesheet indicated 79.5 hours; however, she was paid for 80 hours (\$7.63 overpayment).
- Ck. 48032, 8/9/07 and Ck. 48162, 8/23/07 to Louis Nunn: his overtime hours were paid at \$20.96/hour rather than \$19.91/hour (total overpayment of \$17.32).
- Ck. 48376, 9/20/07 to Louis Nunn: his timesheet indicated 2.5 overtime hours; however, he was not paid for any overtime hours.
- Ck. 48475, 10/4/07 to Louis Nunn: his overtime hours were paid at \$13.27/hour rather than \$14.82/hour (underpaid \$16.66).
- Ck. 47626, 5/18/07 to Marty Mooney: his timesheet indicated one hour of overtime; however, he was not paid for any overtime.
- Ck. 48025, 8/9/07 to Marty Mooney: his timesheet indicated 80 regular hours and 1 overtime hour; however, he was paid for 78.5 regular hours and 1.5 overtime hours.
- Ck. 46946, 2/9/07 to Randy Lipps: his timesheet indicated 79.5 regular hours and 21.5 overtime hours; however, he was paid for 80 regular hours and 13 overtime hours.
- Ck. 47314, 4/6/07 to Randy Lipps: his timesheet indicated 80 hours; however, he was paid for 72 hours.
- Ck. 47624, 5/18/07 to Randy Lipps: his timesheet indicated 80 regular hours and 1 overtime hour; however, he was paid for 76 hours.
- Ck. 46755, 1/12/07 to Richard Fryman: he was paid four shifts (\$120); however, his timesheet indicated two shifts (\$60) plus 16 regular hours at \$9/hour.
- Ck. 47516, 5/4/07 to Rikki Bennett: she was paid for bank runs; no bank runs were documented on her timesheet (\$9 overpayment).
- Ck. 47617, 5/18/07 to Rikki Bennett: her time card indicated 69.25 hours, but her timesheet indicated 52.5 hours; she was paid 69.25 hours.
- Ck. 48894, 12/27/07 to Rikki Bennett: her timesheet indicated 79.5 hours; however, she was paid for 80.25 hours (\$8.62 overpayment).
- Ck. 46761, 1/12/07 to Sherman Niesen: his timesheet indicated 42 hours at \$10/hour plus 40 hours at \$9/hour; however, he was paid for 82 hours at \$10/hour (\$40 overpayment).
- Ck. 48900, 12/31/07 to Linda Hix: per a summary statement of hours worked, she was paid for 18 hours. However, these hours were not supported by a timesheet. She was correctly paid for the 18 hours.

**FINDING NUMBER 2007-033
(Continued)**

None of the overpayments documented above required a finding for recovery.

Monitoring controls should be put into place to help assure that the work performed meets council objectives and is accurate. The Village should implement the following procedures:

- Council should receive monthly financial reports, including but not limited to: a list of expenditures paid during the month including the account to which the expenditure is posted. Council should receive these reports prior to the regular meetings so that members have an opportunity to review the information and ask informed questions. Council should document approval of these reports in the minutes.
- Council should document approval of all salaries and pay rates in the minutes.
- Timesheets should support all paid hours worked. The Village should maintain all timesheets. Supervisors should approve all timesheets. These timesheets should indicate clearly the dates and hours worked. The hours worked should show the amount of regular hours worked and the amount of overtime and/or holiday hours worked. Appropriate supervisory personnel should verify the mathematical accuracy of the timesheets.
- The person processing the payroll should use due care and diligence in the performance of their duties. Hours paid should match the hours indicated on the attached timesheets and/or timecards.
- The Village should consider obtaining computerized account software to aid in the processing of payroll. Appropriate individuals should be trained in the use of this software.

Officials' Response to All Findings Listed Above:

In January 2008 the Fiscal Officer that was responsible for the 2006-2007 period covered by this audit was removed from office. In late February 2008 a new fiscal officer was hired. This Fiscal Officer has over 33 years of governmental accounting experience and hopes to use this experience to help the Village reduce the number of comments and findings for recovery in the upcoming audits.

The Village has put in some of the controls that were lacking with the old Fiscal Officer and the Village implemented the State's Uniform Accounting System effective January 1, 2009. The Village hopes these changes will improve the 2008 and 2009 audit.

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**VILLAGE OF NEW MIAMI
BUTLER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-002	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-003	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-004	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-005	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-006	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-007	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-008	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-009	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-010	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-011	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-012	Finding for recovery	No	Not corrected – not repaid as of July 16, 2009.
2005-013	Ohio Revised Code Section 733.28, failure to maintain proper books and financial statements	No	Not corrected – reissued as Finding 2007-024
2005-014	Ohio Revised Code Section 5705.09(F), failure to record on-behalf grant monies	No	Not corrected – reissued as Finding 2007-028
2005-015	Ohio Revised Code Section 149.351, failure to maintain accounting records	No	Not corrected – reissued as Finding 2007-029
2005-016	Ohio Revised Code Section 5705.41(D), failure to properly certify funds	No	Not corrected – reissued as Finding 2007-030

2005-017	Failure to maintain a good control environment	No	Not corrected – reissued as Finding 2007-024
2005-018	Failure to accurately reconcile the bank to the book	No	Not corrected – reissued as Finding 2007-024
2005-019	Failure to properly post receipts	No	Not corrected – reissued as Finding 2007-027
2005-020	Failure to have proper monitoring procedures over gasoline credit cards	No	Not corrected – reissued as Finding 2007-026
2005-021	Ohio Admin. Code Section 117-2-02(C)(1), failure to maintain budgetary accounting ledgers	No	Not corrected – reissued as Finding 2007-031
	Failure to properly amend certificates of estimated resources	No	Not tested – the Village did not provide certificates of estimated resources
	Failure to properly post estimated receipts and appropriations to the accounting system	No	Not corrected – reissued as Finding 2007-031
	Ohio Revised Code Section 5705.28, failure to adopt a tax budget	Yes	
	Ohio Revised Code Section 5705.36(A)(1), failure to certify the total amount available for all expenditures	No	Not corrected – reissued as Finding 2007-031
	Ohio Revised Code Section 5705.36(A)(4), estimated receipts exceeded actual receipts	No	Not tested – the Village did not provide certificates of estimated resources
	Ohio Revised Code Section 5705.39, appropriations exceeded estimated revenue	No	Not tested – the Village did not provide certificates of estimated resources
	Ohio Revised Code Section 5705.41(B), expenditures exceeded appropriations	No	Not corrected – reissued as Finding 2007-031
Ohio Revised Code Section 5705.10(H), negative fund balances	No	Not corrected – reissued as Finding 2007-031	

Village of New Miami
Butler County
Schedule of Prior Audit Findings
Page 3

2005-022	Failure to remit payroll withholdings and contributions in a timely manner	No	Not corrected – reissued as Finding 2007-032
2005-023	Failure to properly post payroll expenditures	No	Not corrected – reissued as Finding 2007-033



Mary Taylor, CPA
Auditor of State

VILLAGE OF NEW MIAMI

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 20, 2009