



**VILLAGE OF BOSTON HEIGHTS
SUMMIT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Boston Heights
Summit County
45 E. Boston Mills Road
Hudson, Ohio 44236

To the Village Council:

We have audited the accompanying financial statements of the Village of Boston Heights, Summit County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. 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 audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As discussed in Note 2 to the financial statements, an error resulted in the understatement of the Agency Fund cash balance at December 31, 1997. The beginning balance for the Agency Fund was restated as of January 1, 1998, accordingly.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the management, the Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 16, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$470,446	\$183,060	\$11,855	\$665,361
Intergovernmental Receipts	140,515	44,217	1,275	186,007
Charges for Services	965	9,536		10,501
Fines, Licenses, and Permits	407,227	1,090		408,317
Miscellaneous	47,141	1,894	7	49,042
Total Cash Receipts	<u>1,066,294</u>	<u>239,797</u>	<u>13,137</u>	<u>1,319,228</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	486,279	74,273		560,552
Public Health Services	13,631			13,631
Leisure Time Activities		24,693		24,693
Community Environment	52,169			52,169
Transportation	139,507	71,363		210,870
General Government	288,627	2,775		291,402
Capital Outlay			7,917	7,917
Total Cash Disbursements	<u>980,213</u>	<u>173,104</u>	<u>7,917</u>	<u>1,161,234</u>
Total Cash Receipts Over Cash Disbursements	86,081	66,693	5,220	157,994
Fund Cash Balances January 1	13,493	151,104	4,456	169,053
Fund Cash Balances, December 31	<u>\$99,574</u>	<u>\$217,797</u>	<u>\$9,676</u>	<u>\$327,047</u>
Reserves for Encumbrances, December 31	<u>\$52,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Operating Cash Receipts:			
Charges for Services	\$100		\$100
Miscellaneous	2,628		2,628
Total Operating Cash Receipts	2,728		2,728
Operating Cash Disbursements:			
Contractual Services	1,569		1,569
Operating income	1,159	0	1,159
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		\$485,307	485,307
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements		466,014	466,014
Net Receipts Over Disbursements	1,159	19,293	20,452
Fund Cash Balances, January 1	51,451	142,389	193,840
Fund Cash Balances, December 31	52,610	161,682	214,292
Reserves for Encumbrances, December 31	\$0	\$0	\$0

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$421,233	\$163,435	\$10,299	\$594,967
Intergovernmental	122,581	97,051	1,086	220,718
Charges for Services	1,265	8,582		9,847
Fines, Licenses, and Permits	357,406	2,145		359,551
Miscellaneous	60,814	2,047	8	62,869
Total Cash Receipts	<u>963,299</u>	<u>273,260</u>	<u>11,393</u>	<u>1,247,952</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	538,183	42,869		581,052
Public Health Services	11,801			11,801
Leisure Time Activities		46,786		46,786
Community Environment	53,520			53,520
Transportation	154,034	143,970		298,004
General Government	272,748	2,753		275,501
Capital Outlay			19,067	19,067
Total Cash Disbursements	<u>1,030,286</u>	<u>236,378</u>	<u>19,067</u>	<u>1,285,731</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(66,987)	36,882	(7,674)	(37,779)
Fund Cash Balances, January 1	80,480	114,222	12,130	206,832
Fund Cash Balances, December 31	<u>\$13,493</u>	<u>\$151,104</u>	<u>\$4,456</u>	<u>\$169,053</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$300		\$300
Miscellaneous	3,900		3,900
	<u>4,200</u>		<u>4,200</u>
Total Operating Cash Receipts	<u>4,200</u>		<u>4,200</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		\$437,481	437,481
		<u>418,559</u>	<u>418,559</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements		418,559	418,559
		<u>418,559</u>	<u>418,559</u>
Net Receipts Over Disbursements	4,200	18,922	23,122
Fund Cash Balances, January 1 (Restated Note 2)	47,251	123,467	170,718
Fund Cash Balances, December 31	<u><u>\$51,451</u></u>	<u><u>\$142,389</u></u>	<u><u>\$193,840</u></u>
Reserves for Encumbrances, December 31	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Boston Heights, Summit County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, park operations (leisure time activities), fire protection, and police services. The Village contracts with the Macedonia Fire Department to provide fire protection and emergency medical services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

The Village invests in certificates of deposit and overnight repurchase agreements which are valued at cost.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

Road Levy Fund - This fund receives revenue generated from a special tax levy for maintaining and repairing Village streets.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire Levy Fund - This fund receives revenue generated from a special tax levy to purchase a fire truck and equipment for fire protection.

3. Capital Projects Funds

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

Capital Improvement Fund - This fund is used to account for the portion of tax revenue used for capital improvements in the Village.

4. Fiduciary Funds (Trusts and Agency Funds)

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

Cemetery Trust Fund - This fund is used to maintain the corpus of a trust. The interest earned on the principal amount is used to maintain the Village's cemetery.

Refundable Performance Bond Fund - This fund is used to account for performance bond deposits for residential or commercial site improvements within the Village. Deposits are refunded upon completion of construction and proof of inspection.

Mayor's Court Fund - This fund is used to account for fine monies from traffic violations and other Mayor's Court activities.

E. Budgetary Process

Except for the Agency Funds, the Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued):

2. Estimated Resources

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

3. Encumbrances

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

A summary of 1999 and 1998 budgetary activity appears in Note 4.

F. Property, Plant and Equipment

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

G. Unpaid Vacation

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as liabilities under the cash basis of accounting used by the Village.

2. RESTATEMENT OF PRIOR YEAR BALANCES

The December 31, 1997 year end Mayor's Court fund cash balance of \$23,097 was not included in the December 31, 1997 Agency Fund Type fund cash balance of \$100,370. The restated January 1, 1998 Agency Fund Type balance is \$123,467.

3. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 127,975	\$107,127
Certificate of deposits	48,364	45,766
Total deposits	176,339	152,893
Repurchase agreements	<u>365,000</u>	<u>210,000</u>
Total deposits and investments	<u><u>\$ 541,339</u></u>	<u><u>\$362,893</u></u>

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

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

Investments: The Village invested in repurchase agreements during the accounting period. These agreements are valued at cost.

Throughout 1999 and 1998, the Village invested in repurchase agreements without filing an investment policy with the Auditor of State, contrary to Ohio Rev. Codes Section 135.14.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,061,515	\$ 1,066,294	\$ 4,779
Special Revenue	235,999	239,797	3,798
Capital Projects	12,637	13,137	500
Fiduciary	2,000	2,728	728
Total	\$ 1,312,151	\$ 1,321,956	\$ 9,805

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,075,008	\$ 1,032,413	\$ 42,595
Special Revenue	293,238	173,104	120,134
Capital Projects	15,500	7,917	7,583
Fiduciary	2,000	1,569	431
Total	\$ 1,385,746	\$ 1,215,003	\$ 170,743

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 965,793	\$ 963,299	\$ (2,494)
Special Revenue	273,191	273,260	69
Capital Projects	13,104	11,393	(1,711)
Fiduciary	2,000	4,200	2,200
Total	\$ 1,254,088	\$ 1,252,152	\$ (1,936)

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

4. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,033,618	\$ 1,030,286	\$ 3,332
Special Revenue	334,836	236,378	98,458
Capital Projects	17,156	19,067	(1,911)
Fiduciary	1,000	0	1,000
Total	\$ 1,386,610	\$ 1,285,731	\$ 100,879

During 1999 and 1998, the Clerk/Treasurer did not always certify the availability of funds for all of the Village purchases prior to the commitment, contrary to Ohio Rev. Code Section 5705.41(D).

5. PROPERTY TAX

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

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

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

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

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Fund (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Commercial Inland Marine
- General liability
- Public officials' liability
- Employer's liability
- Employee benefits liability
- Cemetery liability

The Village also provides health insurance and dental to full-time employees through a private carrier.

8. CONTINGENT LIABILITIES

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

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the state government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Boston Heights
Summit County
45 E. Boston Mills Road
Hudson, Ohio 44236

To the Village Council:

We have audited the accompanying financial statements of the Village of Boston Heights, Summit County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 16, 2000 which we noted an error resulting in the understatement of the Agency Fund cash balance requiring a restatement of January 1, 1998 fund cash balance. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as item 1999-30977-001 and 1999-30977-002.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 16, 2000.

Internal Control Over Financial Reporting

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 16, 2000.

Village of Boston Heights

This report is intended for the information and use of management and the Village Council and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 16, 2000

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Noncompliance Citations

FINDING NUMBER 1999-30977-001

Ohio Rev. Code Section 5705.41 (D) requires that no subdivision shall make any contract or order any expenditures of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment 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 other orders or expenditure lacking prior certification should be null and void and no warrant shall be issued in payment of any amount due thereon. This section also provides for two "exceptions" to the above requirements:

- A. Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the execution of the certificate, appropriated and free of any previous encumbrances, Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- B. If the amount involved is less than \$1,000, the Clerk/Treasurer may authorize payment through the Then and Now Certificate without affirmation of Council, if such expenditure is otherwise valid.

For twenty eight of the sixty expenditures tested, the Clerk/Treasurer did not certify the availability of funds prior to entering into the commitment. In addition, neither of the two exceptions noted above were utilized. Also, certain liabilities, contracts and open purchase commitments incurred prior to December 31, 1999 and 1998, which were not encumbered, were improperly charged against the subsequent year's appropriations for the General and certain Special Revenue funds. As a result of the above, the Village could inadvertently over expend certain appropriations. Prior to entering into commitments, the Clerk/Treasurer should certify that funds are available for expenditure. The Clerk-Treasurer should inform all Village employees of the requirements of the above code section. The Village should implement the use of so called Then and Now Certificates and Blanket Certificates as further permitted by the above code section. However, such certificates should only be used for reoccurring and reasonably predictable matters or emergency matters which may arise from time to time.

FINDING NUMBER 1999-30977-002

Ohio Rev. Code Section 135.14 requires that investments or deposits made under Ohio Rev. Code Section 135.14 cannot be made unless a written investment policy approved by the treasurer or governing board is on file with the Auditor of State, with the following two exceptions:

- 7 If a written investment policy is not filed with the Auditor of State, the treasurer or governing board is permitted to invest only in interim deposits or STAR Ohio.
- 7 A subdivision whose average annual portfolio of investments is \$100,000 or less is not required to file an investment policy, provided that the treasurer or governing board certifies to the Auditor of State that the treasurer or governing board will comply and is in compliance with the provisions of Section 135.01 to 135.21.

Noncompliance Citations (Continued)

FINDING NUMBER 1998-31016-002 (Continued)

Throughout 1999 and 1998, the Village invested in over-night repurchase agreements. The investments in repurchase agreements, on average, exceeded \$100,000. Since repurchase agreements do not qualify as interim deposits and the Village's average investment balance exceeded \$100,000, the Village should file a written investment policy with the Auditor of State.

The Village's policy should authorize the Clerk/Treasurer to invest funds and include the following:

- 7 Investment types considered permissible by the Board;
- 7 Investment types which are prohibited by the Board;
- 7 Investment maturity requirements;
- 7 Acceptable portfolio risk;
- 7 Township investment goals (ie. preservation of investment principal, emphasis on income or capital gains, etc.);

This list is not all inclusive. Village management will need to assess the extent of its policy requirements based on the level of investment activity, investment types, and investment goals of the Board.

In addition, the investment policy must be signed by:

- All entities conducting investment business with the treasurer or governing board (except the Treasurer of State);
- All brokers, dealers, and financial institutions, described in Section 135.14(M)(1), initiating transactions with the treasurer or governing board by giving advise or making investment recommendations;
- All brokers, dealers, and financial institutions, described in Section 135.14(M)(1), executing transactions initiated by the treasurer or governing board.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF BOSTON HEIGHTS

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 6, 2000**