



Dave Yost • Auditor of State

VILLAGE OF LIMAVILLE
STARK COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Limaville
Stark County
P.O. Box 21
Limaville, Ohio 44640

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Village of Limaville, Stark County, (the Village) as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Government's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Government's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

Basis for Additional Opinion Qualification

Charges for Service are reported at \$2,783 for the year ended December 31, 2015 which is 15 percent of General Fund receipts for the year ended December 31, 2015. Fines, Licenses and Permits receipts are reported at \$1,929 and \$1,334 for the years ended December 31, 2015 and 2014 respectively, which is 10 percent of total General Fund receipts for the year ended December 31, 2015, and 11 percent of total General Fund receipts for the year ended December 31, 2014. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as Charges for Services in 2015 and Fines, Licenses and Permits receipts in 2015 and 2014. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Additional Opinion Qualification

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* paragraph, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the General Fund of Village of Limaville, Stark County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Special Revenue and Capital Projects Funds of Village of Limaville, Stark County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2017, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

March 1, 2017

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**VILLAGE OF LIMAVILLE
STARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts				
Property and Other Local Taxes	\$9,908	\$0	\$0	\$9,908
Intergovernmental	3,840	6,489	0	10,329
Charges for Services	2,783	0	0	2,783
Fines, Licenses and Permits	1,929	0	0	1,929
Earnings on Investments	3	0	0	3
Miscellaneous	12	0	0	12
<i>Total Cash Receipts</i>	<u>18,475</u>	<u>6,489</u>	<u>0</u>	<u>24,964</u>
Cash Disbursements				
Current:				
Leisure Time Activities	3,884	0	0	3,884
Basic Utility Services	3,000	0	0	3,000
Transportation	0	6,324	0	6,324
General Government	10,366	0	0	10,366
<i>Total Cash Disbursements</i>	<u>17,250</u>	<u>6,324</u>	<u>0</u>	<u>23,574</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,225</u>	<u>165</u>	<u>0</u>	<u>1,390</u>
<i>Fund Cash Balances, January 1</i>	<u>4,106</u>	<u>10,296</u>	<u>3,683</u>	<u>18,085</u>
Fund Cash Balances, December 31				
Restricted	0	10,461	0	10,461
Assigned	0	0	3,683	3,683
Unassigned (Deficit)	5,331	0	0	5,331
<i>Fund Cash Balances, December 31</i>	<u>\$5,331</u>	<u>\$10,461</u>	<u>\$3,683</u>	<u>\$19,475</u>

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

**VILLAGE OF LIMAVILLE
STARK COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts				
Property and Other Local Taxes	\$9,485	\$0	\$0	\$9,485
Intergovernmental	1,474	6,563	0	8,037
Fines, Licenses and Permits	1,334	0	0	1,334
Earnings on Investments	2	0	0	2
<i>Total Cash Receipts</i>	<u>12,295</u>	<u>6,563</u>	<u>0</u>	<u>18,858</u>
Cash Disbursements				
Current:				
Security of Persons and Property	1,200	0	0	1,200
Public Health Services	1,294	0	0	1,294
Leisure Time Activities	2,537	0	0	2,537
Basic Utility Services	1,448	0	0	1,448
Transportation	0	8,600	0	8,600
General Government	5,993	0	0	5,993
Interest and Fiscal Charges	0	0	2,744	2,744
<i>Total Cash Disbursements</i>	<u>12,472</u>	<u>8,600</u>	<u>2,744</u>	<u>23,816</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(177)</u>	<u>(2,037)</u>	<u>(2,744)</u>	<u>(4,958)</u>
<i>Fund Cash Balances, January 1</i>	<u>4,283</u>	<u>12,333</u>	<u>6,427</u>	<u>23,043</u>
Fund Cash Balances, December 31				
Restricted	0	10,296	0	10,296
Committed	0	0	3,683	3,683
Unassigned (Deficit)	4,106	0	0	4,106
<i>Fund Cash Balances, December 31</i>	<u>\$4,106</u>	<u>\$10,296</u>	<u>\$3,683</u>	<u>\$18,085</u>

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

**VILLAGE OF LIMAVILLE
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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 Limaville, Stark County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides government services and maintenance of roads and bridges. The Village contracts with Lexington Township to provide security of persons and property and fire protection services.

The Village participates in one jointly governed organization, the Stark County Regional Planning Commission. 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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits and Investments

The Village has no investments. Cash consists of demand deposits.

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 accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

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

**VILLAGE OF LIMAVILLE
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project fund:

Grant Construction Fund – This fund receives grants. The proceeds are being used to improvements within the Village.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

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 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 encumber all commitments required by Ohio law.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

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

VILLAGE OF LIMAVILLE
STARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2015	2014
Demand deposits	\$19,475	\$18,085

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**VILLAGE OF LIMAVILLE
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$18,475	\$18,475
Special Revenue		6,489	6,489
Total	\$0	\$24,964	\$24,964

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General		\$17,250	(\$17,250)
Special Revenue		6,324	(6,324)
Total	\$0	\$23,574	(\$23,574)

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$12,295	\$12,295
Special Revenue		6,563	6,563
Capital Projects		0	0
Total	\$0	\$18,858	\$18,858

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General		\$12,472	(\$12,472)
Special Revenue		8,600	(8,600)
Capital Projects		2,744	(2,744)
Total	\$0	\$23,816	(\$23,816)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in all funds for both years.

**VILLAGE OF LIMAVILLE
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

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.

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

5. RETIREMENT SYSTEMS

All members of the Village Council, the Clerk, and the Mayor have elected to contribute to Social Security. The Village's liability is 6.2% of gross wages paid.

6. RISK MANAGEMENT

The Village did not obtain insurance for the years under audit.

7. JOINTLY GOVERNED ORGANIZATIONS

The Village is associated with the Stark County Regional Planning Commission (the Commission) as a Jointly Governed Organization. The Commission is a statutorily-created political subdivision of the State. The Commission is jointly governed among Stark County municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and governmental characteristics, functions and services of the county.

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

Village of Limaville
Stark County
P.O. Box 21
Limaville, Ohio 44640

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Limaville, Stark County, (the Village) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated March 1, 2017 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We qualified our opinion due to the Village's lack of sufficient appropriate evidence supporting the amounts reported as General Fund charges for services receipts in 2015 and General Fund fines, licenses, and permits in 2015 and 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. We consider finding 2015-001 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2015-004 described in the accompanying schedule of findings to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2015-001 through 2015-003.

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

March 1, 2017

**VILLAGE OF LIMAVILLE
STARK COUNTY**
**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Missing Records

<i>Finding Number</i>	2015-001
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NONCOMPLIANCE AND MATERIAL WEAKNESS

Ohio Rev. Code § 149.351 states all records are the property of the public office and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by Ohio Revised Code § 149.38 through 149.42.

For 2014, The Village was unable to locate 22 vouchers and supporting documentation selected for testing in a total amount of \$12,343.57.

For 2015, The Village was unable to locate 10 vouchers and supporting documentation selected for testing in a total amount of \$3,533.17.

The Village was unable to locate supporting documentation for one property tax receipt totaling \$26 in 2014.

The Village was unable to locate supporting documentation for seven property tax receipts totaling \$2,228 in 2015.

The Village was unable to locate supporting documentation for 11 intergovernmental revenue receipts totaling \$214 in 2014.

The Village was unable to locate supporting documentation for one intergovernmental revenue receipt totaling \$59 in 2015.

The Village was unable to locate supporting documentation for four charges for services in 2015 totaling \$2,783.

The Village was unable to locate supporting documentation for two fees, licenses and permits in 2014 totaling \$1,334.

The Village was unable to locate supporting documentation for four fees, licenses and permits in 2015 totaling \$1,941.

In addition, the Village was unable to provide the minute records for the following months:

- February, March, September, October and November in 2014
- February, May, October, November and December in 2015

<i>Finding Number</i>	2015-001 (Continued)
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Additionally, the Village was unable to provide the October 2014 bank statement.

Furthermore, the Village was unable to locate the Clerk's bonds effective for 2014 and 2015.

The Village lacked procedures to ensure the necessary records were maintained, while the disbursements appeared reasonable in nature, the Village should ensure all records are adequately safeguarded. The Village should also ensure all minutes are promptly recorded after each Council meeting. This may help ensure records are not lost or destroyed. Additionally, the Village should maintain all property tax receipts to help ensure all revenue is accounted for and posted in proper accounts. Furthermore, the Village should maintain the Clerk's bond.

Officials Response:

We did not receive a response from Officials to this finding.

Disbursements Exceeding Appropriations

<i>Finding Number</i>	2015-002
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NONCOMPLIANCE

Ohio Rev. Code § 5705.41(B) provides no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated as provided in such chapter.

In 2014, the Village Council did not approve appropriations. Therefore, disbursement (plus current year encumbrances) exceeded appropriations (plus prior year encumbrances) in the General Fund (1000) by \$12,564, in the Street Construction Fund (2011) by \$5,669, in the State Highway Fund (2021) by \$2,929, and in the Grant Construction Fund (4201) by \$2,743.

In 2015, the Village Council did not approve appropriations. Therefore, disbursements (plus current year encumbrances) exceeded appropriations (plus prior year encumbrances) in the General Fund (1000) by \$17,414, in the Street Construction Fund (2011) by \$5,000, and in the State Highway Fund (2021) by \$1,324.

The Village should monitor appropriations and disbursements to help ensure disbursements do not exceed appropriations.

Official's Response:

We did not receive a response from Officials to this finding.

Approval of Appropriations

<i>Finding Number</i>	2015-003
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NONCOMPLIANCE

Ohio Rev. Code § 5705.38(A) provides on or about the first day of each fiscal year, the taxing authority of each subdivision or other taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measures as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate. If it desires to postpone the passage of the annual appropriation measure until an amended certificate is received based on the actual balances, it may pass a temporary appropriation measure for meeting the ordinary expenses of the taxing unit until no later than the first day of April of the current year, and the appropriations made in the temporary measure shall be chargeable to the appropriations in the annual appropriation measure for that fiscal year when passed.

Council did not formally approve appropriations for 2014 and 2015.

Council should approve appropriations by the required date and the approval should be documented in the minutes. This may help ensure information pertaining to appropriations is accurately and timely recorded and reflected in budgetary reports, so the Village can properly monitor budget activity.

Official's Response:

We did not receive a response from Officials to this finding.

Posting Receipts

<i>Finding Number</i>	2015-004
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SIGNIFICANT DEFICIENCY

During 2014 \$593 and during 2015 \$642 of property tax administrative fees were not recorded as property tax revenue nor as disbursements, since the Village recorded property tax revenue at the net amount rather than the gross amount.

During 2014 \$1,474 and during 2015 \$3,840 of intergovernmental revenue was improperly recorded as property taxes.

Additionally, revenue from homestead and rollback exemptions were improperly recorded net of administrative fees which understated revenues and expenditures. However, the Village cannot provide documentation for those figures.

The Village should record tax revenues at the gross amount and record reductions as disbursements. These reductions include administrative fees as well as homestead and rollback exemptions.

<i>Finding Number</i>	2015-004 (Continued)
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The Clerk should review the monthly financial reports to help ensure receipts and disbursements are recorded in the proper account based on type of activity. The Clerk should utilize the Village Accounting Handbook and Uniform Accounting Network Accounting Manual to assist in identifying proper accounts. In addition, the Board should review monthly receipt and disbursement reports to help ensure transactions are properly classified. This may help ensure the Village's financial activity is accurately reported.

Official's Response:

We did not receive a response from Officials to this finding.



Dave Yost • Auditor of State

VILLAGE OF LIMAVILLE

STARK 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
MARCH 28, 2017