



Dave Yost • Auditor of State



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Village of Summerfield
Noble County
P.O. Box 223
Summerfield, Ohio 43788

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Village of Summerfield, Noble County, Ohio (the Village), for the years ended December 31, 2016 and 2015.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2016 and 2015.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 117.11(A) is to examine, analyze and inspect these records and documents.

Current Year Observations

1. We noted the following during 2015:

- One month of Gasoline Excise Tax funds was posted at 92.5% in the State Highway fund in the amount of \$475.59 instead of in the Street Construction, Maintenance and Repair fund;
- Ten months of Motor Vehicle Registration funds were posted at 92.5% in the General Fund in the amount of \$1,504.16 instead of in the Street Construction, Maintenance and Repair fund;
- Twelve months of Motor Vehicle Registration funds were posted at 7.5% in the Street Construction, Maintenance and Repair fund in the amount of \$138.72 instead of in the State Highway fund;
- Seven months of State and Local Highway Government funds were posted at 100% in the General fund in the amount of \$1,858.99 instead of at 92.5% in the Street Construction, Maintenance and Repair fund in the amount of \$1,719.57 and at 7.5% in the State Highway fund in the amount of \$139.42;
- Two months of State and Local Highway Government funds were posted at 7.5% in the Street Construction, Maintenance and Repair fund in the amount of \$41.07 instead of in the State Highway fund;
- One month of State and Local Highway Government funds was posted at 92.5% in the General Fund in the amount of \$242.11 instead of in the Street Construction, Maintenance and Repair fund; and
- One manufactured home tax receipt in the amount of \$23.89 was posted in the General fund instead of in the Fire Fund.

We noted the following during 2016:

- One month of Gasoline Excise Tax funds was posted at 92.5% in the General fund in the amount of \$451.61 instead of in the Street Construction, Maintenance and Repair fund;

Current Year Observations (Continued)

- Two months of Gasoline Excise Tax funds were posted at 100% to the General fund in the amount of \$983.31 instead of at 92.5% in the Street Construction, Maintenance and Repair fund in the amount of \$909.56 and at 7.5% in the State Highway fund in the amount of \$73.75;
- Three months of Gasoline Excise Tax funds were posted at 7.5% in the Street Construction, Maintenance and Repair fund in the amount of \$116.51 instead of in the State Highway fund;
- Four months of Gasoline Excise Tax funds were posted at 92.5% in the State Highway fund in the amount of \$1,891.56 instead of in the Street Construction, Maintenance and Repair fund;
- Three months of Motor Vehicle Registration funds were posted at 92.5% in the General Fund in the amount of \$358.20 instead of in the Street Construction, Maintenance and Repair fund;
- Two months of Motor Vehicle Registration funds were posted at 7.5% in the General Fund in the amount of \$25.97 instead of in the State Highway fund;
- Eight months of Motor Vehicle Registration funds were posted at 100% to the General fund in the amount of \$1,338.46 instead of at 92.5% in the Street Construction, Maintenance and Repair fund in the amount of \$1,238.08 and in the State Highway fund in the amount of \$100.38;
- Three months of Motor Vehicle Registration funds were posted at 7.5% in the Street Construction, Maintenance and Repair fund in the amount of \$29.04 instead of in the State Highway fund;
- One month of Local Government funds were posted in the Street Construction, Maintenance and Repair fund in the amount of \$1,332.67 instead of the General fund;
- Seven months of State and Local Government Highway funds were posted at 100% in the General fund in the amount of \$1,845.50 instead of at 92.5% in the Street Construction, Maintenance and Repair fund in the amount of \$1,707.08 and at 7.5% in the State Highway fund in the amount of \$138.42;
- Four months of State and Local Government Highway funds were posted at 7.5% in the Street Construction, Maintenance and Repair fund in the amount of \$79.09 instead of in the State Highway fund; and
- One month of State and Local Government Highway funds were posted at 92.5% in the State Highway fund in the amount of \$258.09 instead of in the Street Construction, Maintenance and Repair fund.

The Village Officer's Handbook discusses and Ohio Rev. Code § 5735.28 states motor vehicle registration, cents-per-gallon and gasoline tax monies are to be paid into the Street Construction, Maintenance and Repair Fund unless the Village is on the line of the state highway system as designated by the director of transportation and then 7.5% of the amount paid to any village shall be receipted into the State Highway Fund. Therefore, a finding for adjustment is hereby issued against the General Fund in the amount of \$8,608.31 and the State Highway Fund in the amount of \$1,742.87, and in favor of the Street Construction, Maintenance and Repair Fund, Special Revenue Fund type, in the amount of \$10,351.18.

Ohio Rev. Code § 5747.50(C)(2) states on or before the tenth day of each month, the tax commissioner shall provide for payment from the local government fund to each municipal corporation an amount equal to the product derived by multiplying the municipal corporation's percentage of the total amount distributed to all such municipal corporations under this division during calendar year 2007 by the total amount available for distribution to municipal corporations during the current month. Further Ohio Rev. Code § 5747.50(C)(3) states payments received by a municipal corporation under this division shall be paid into its general fund and may be used for any lawful purpose. Therefore, a finding for adjustment is hereby issued against the Street Construction, Maintenance and Repair fund, Special Revenue Fund type, in the amount of \$1,332.67, and in favor of the General Fund in the amount of \$1,332.67.

Current Year Observations (Continued)

Ohio Rev. Code § 5705.10(C) states all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made. Therefore, a finding for adjustment is hereby issued against the General Fund, in the amount of \$23.89, and in favor of the Fire Fund in the amount of \$23.89.

2. Ohio Rev. Code § 117.38 states entities filing on a cash-basis must file annual reports with the Auditor of State within 60 days of the fiscal year-end. The Village filed its 2016 financial statements on January 21, 2017, but did not make a complete filing with the financial statements and notes to the financial statements until August 21, 2017, which was after the deadline.

The Village should make a complete filing within 60 days of the fiscal year-end.

3. Ohio Rev. Code § 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

Additionally, Ohio Rev. Code § 5705.38(C) requires the following minimum level of budgetary control for subdivisions other than schools: "Appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and within each, the amount appropriated for personal services."

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

The Village did not adopt temporary or permanent appropriations in 2016. As a result, all calendar year 2016 expenditures lacked legal appropriation authority.

The Village should pass an appropriation measure on or about the first day of each fiscal year. If the Village adopts a temporary measure, they must adopt a permanent measure no later than April 1.

Current Status of Matters we Reported in our Prior Engagement

In addition to the matter reported in item 1 above, our prior basic audit for the years ended December 31, 2014 and 2013 included a finding for adjustment against the General Fund in the amount of \$10,050.61 and against the Street Construction, Maintenance and Repair Fund in the amount of \$95.19, and in favor of the Street Construction, Maintenance and Repair Fund in the amount of \$8,191.94, the State Highway Fund in the amount of \$684.88 and the Permissive Motor Vehicle License Tax Fund in the amount of \$1,268.98, for misposting of receipts. These adjustments have not been made by the Village.



Dave Yost
Auditor of State
Columbus, Ohio

December 20, 2017

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VILLAGE OF SUMMERFIELD

NOBLE 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
JANUARY 9, 2018**