

***VILLAGE OF NORTHFIELD***

***SUMMIT COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014***







# Dave Yost • Auditor of State

Village Council  
Village of Northfield  
10455 Northfield Road  
Northfield, Ohio 44067

We have reviewed the *Independent Auditor's Report* of the Village of Northfield, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Northfield is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

October 14, 2016

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**VILLAGE OF NORTHFIELD  
SUMMIT COUNTY  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

Village of Northfield  
Summit County  
10455 Northfield Road  
Northfield, Ohio 44067

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 the Village of Northfield, Summit 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 Village'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 Village'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***

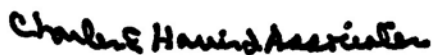
In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United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

***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 the Village of Northfield, Summit 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 June 24, 2016, 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.



***Charles E. Harris & Associates, Inc.***  
June 24, 2016



**VILLAGE OF NORTHFIELD  
SUMMIT COUNTY**

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

|   | <u>Governmental Fund Types</u> |                            | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts</b>                                  |                                |                            |   |
| Property and Other Local Taxes                        | \$ 324,476                     | \$ 276,706                 | \$ 601,182                              |
| Municipal Income Tax                                  | 3,241,628                      | -                          | 3,241,628                               |
| Intergovernmental                                     | 687,165                        | 2,037,326                  | 2,724,491                               |
| Special Assessments                                   | 21,982                         | -                          | 21,982                                  |
| Charges for Services                                  | 810                            | 196,290                    | 197,100                                 |
| Fees, Licenses and Permits                            | 171,214                        | 12,761                     | 183,975                                 |
| Franchise Tax   | 35,712                         | -                          | 35,712                                  |
| Contributions and Donations                           | 2,000                          | -                          | 2,000                                   |
| Miscellaneous   | 121,219                        | 1,523                      | 122,742                                 |
| <i>Total Cash Receipts</i>                            | <u>4,606,206</u>               | <u>2,524,606</u>           | <u>7,130,812</u>                        |
| <b>Cash Disbursements</b>                             |                                |                            |   |
| Current:  |                                |                            |   |
| Security of Persons and Property                      | 911,432                        | 1,073,354                  | 1,984,786                               |
| Public Health Services                                | 11,067                         | -                          | 11,067                                  |
| Community Environment                                 | -                              | 934,742                    | 934,742                                 |
| Basic Utility Services                                | 666,851                        | -                          | 666,851                                 |
| Transportation  | 274,328                        | 737,807                    | 1,012,135                               |
| General Government                                    | 1,365,926                      | 21,855                     | 1,387,781                               |
| Capital Outlay  | 219,180                        | -                          | 219,180                                 |
| Debt Service:   |                                |                            |   |
| Principal Retirement                                  | 156,473                        | 163,921                    | 320,394                                 |
| Interest & Fiscal Charges                             | 5,498                          | 6,859                      | 12,357                                  |
| <i>Total Cash Disbursements</i>                       | <u>3,610,755</u>               | <u>2,938,538</u>           | <u>6,549,293</u>                        |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | 995,451                        | (413,932)                  | 581,519                                 |
| <b>Other Financing Receipts (Disbursements)</b>       |                                |                            |   |
| Transfers In  | -                              | 737,000                    | 737,000                                 |
| Transfers Out   | (737,000)                      | -                          | (737,000)                               |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(737,000)</u>               | <u>737,000</u>             | <u>-</u>                                |
| <i>Net Change in Fund Cash Balances</i>               | 258,451                        | 323,068                    | 581,519                                 |
| <i>Fund Cash Balances, January 1</i>                  | <u>942,336</u>                 | <u>30,531</u>              | <u>972,867</u>                          |
| <b>Fund Cash Balances, December 31</b>                |                                |                            |   |
| Nonspendable  | 635                            | -                          | 635                                     |
| Restricted  | -                              | 353,599                    | 353,599                                 |
| Assigned  | 229,014                        | -                          | 229,014                                 |
| Unassigned  | 971,138                        | -                          | 971,138                                 |
| <i>Fund Cash Balances, December 31</i>                | <u>\$ 1,200,787</u>            | <u>\$ 353,599</u>          | <u>\$ 1,554,386</u>                     |

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

**VILLAGE OF NORTHFIELD  
SUMMIT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

|   | <u>Proprietary<br/>Fund Type</u> | <u>Fiduciary<br/>Fund Type</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|----------------------------------|--------------------------------|---|
|   | <u>Enterprise</u>                | <u>Agency</u>                  |   |
| <b>Operating Cash Receipts</b>                      |                                  |                                |   |
| Charges for Services                                | \$ 267,990                       | \$ -                           | \$ 267,990                              |
| Fees, Licenses and Permits                          | -                                | 17,450                         | 17,450                                  |
| Fines and Forfeitures                               | -                                | 151,885                        | 151,885                                 |
| <i>Total Operating Cash Receipts</i>                | 267,990                          | 169,335                        | 437,325                                 |
| <b>Operating Cash Disbursements</b>                 |                                  |                                |   |
| Personal Services                                   | 46,659                           | -                              | 46,659                                  |
| Contractual Services                                | 68,004                           | -                              | 68,004                                  |
| Supplies and Materials                              | 13,964                           | -                              | 13,964                                  |
| Disbursement of Fees                                | -                                | 163,466                        | 163,466                                 |
| Other   | 17,065                           | 2,757                          | 19,822                                  |
| <i>Total Operating Cash Disbursements</i>           | 145,692                          | 166,223                        | 311,915                                 |
| <i>Operating Income (Loss)</i>                      | 122,298                          | 3,112                          | 125,410                                 |
| <b>Non-Operating Receipts (Disbursements)</b>       |                                  |                                |   |
| Special Assessments                                 | 52,160                           | -                              | 52,160                                  |
| Capital Outlay                                      | (130,687)                        | -                              | (130,687)                               |
| Principal Retirement                                | (71,536)                         | -                              | (71,536)                                |
| Interest and Other Fiscal Charges                   | (500)                            | -                              | (500)                                   |
| <i>Total Non-Operating Receipts (Disbursements)</i> | (150,563)                        | -                              | (150,563)                               |
| <i>Net Income (Loss)</i>                            | (28,265)                         | 3,112                          | (25,153)                                |
| <i>Fund Cash Balances, January 1</i>                | 71,720                           | 24,291                         | 96,011                                  |
| <i>Fund Cash Balances, December 31</i>              | <u>\$ 43,455</u>                 | <u>\$ 27,403</u>               | <u>\$ 70,858</u>                        |

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

**VILLAGE OF NORTHFIELD  
SUMMIT COUNTY**

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

|   | <u>Governmental Fund Types</u> |                            | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts</b>                                  |                                |                            |   |
| Property and Other Local Taxes                        | \$ 269,138                     | \$ 268,128                 | \$ 537,266                              |
| Municipal Income Tax                                  | 2,801,881                      | -                          | 2,801,881                               |
| Intergovernmental                                     | 1,182,281                      | 570,134                    | 1,752,415                               |
| Special Assessments                                   | 6,350                          | -                          | 6,350                                   |
| Charges for Services                                  | 2,566                          | 172,376                    | 174,942                                 |
| Fees, Licenses and Permits                            | 160,611                        | 13,212                     | 173,823                                 |
| Franchise Tax   | 35,267                         | -                          | 35,267                                  |
| Contributions and Donations                           | 3,833                          | -                          | 3,833                                   |
| Miscellaneous   | 206,553                        | 2,558                      | 209,111                                 |
| <i>Total Cash Receipts</i>                            | <u>4,668,480</u>               | <u>1,026,408</u>           | <u>5,694,888</u>                        |
| <b>Cash Disbursements</b>                             |                                |                            |   |
| Current:  |                                |                            |   |
| Security of Persons and Property                      | 982,873                        | 1,040,381                  | 2,023,254                               |
| Public Health Services                                | 10,382                         | -                          | 10,382                                  |
| Basic Utility Services                                | 663,904                        | -                          | 663,904                                 |
| Transportation  | 100,374                        | 132,000                    | 232,374                                 |
| General Government                                    | 1,658,545                      | 3,028                      | 1,661,573                               |
| Debt Service:   |                                |                            |   |
| Principal Retirement                                  | 205,823                        | 154,729                    | 360,552                                 |
| Interest & Fiscal Charges                             | 15,182                         | 9,546                      | 24,728                                  |
| <i>Total Cash Disbursements</i>                       | <u>3,637,083</u>               | <u>1,339,684</u>           | <u>4,976,767</u>                        |
| <i>Excess of Receipts Over (Under) Disbursements</i>  | 1,031,397                      | (313,276)                  | 718,121                                 |
| <b>Other Financing Receipts (Disbursements)</b>       |                                |                            |   |
| Transfers In  | -                              | 301,000                    | 301,000                                 |
| Transfers Out   | (301,000)                      | -                          | (301,000)                               |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(301,000)</u>               | <u>301,000</u>             | <u>-</u>                                |
| <i>Net Change in Fund Cash Balances</i>               | 730,397                        | (12,276)                   | 718,121                                 |
| <i>Fund Cash Balances, January 1</i>                  | <u>211,939</u>                 | <u>42,807</u>              | <u>254,746</u>                          |
| <b>Fund Cash Balances, December 31</b>                |                                |                            |   |
| Nonspendable  | 635                            | -                          | 635                                     |
| Restricted  | -                              | 62,031                     | 62,031                                  |
| Assigned  | 314,413                        | -                          | 314,413                                 |
| Unassigned  | 627,288                        | (31,500)                   | 595,788                                 |
| <i>Fund Cash Balances, December 31</i>                | <u>\$ 942,336</u>              | <u>\$ 30,531</u>           | <u>\$ 972,867</u>                       |

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

**VILLAGE OF NORTHFIELD  
SUMMIT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

|   | <u>Proprietary<br/>Fund Type</u> | <u>Fiduciary<br/>Fund Type</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|----------------------------------|--------------------------------|---|
|   | <u>Enterprise</u>                | <u>Agency</u>                  |   |
| <b>Operating Cash Receipts</b>                      |                                  |                                |   |
| Charges for Services                                | \$ 241,614                       | \$ -                           | \$ 241,614                              |
| Fees, Licenses and Permits                          | -                                | 7,000                          | 7,000                                   |
| Fines and Forfeitures                               | -                                | 166,170                        | 166,170                                 |
| <i>Total Operating Cash Receipts</i>                | <u>241,614</u>                   | <u>173,170</u>                 | <u>414,784</u>                          |
| <b>Operating Cash Disbursements</b>                 |                                  |                                |   |
| Personal Services                                   | 44,784                           | -                              | 44,784                                  |
| Contractual Services                                | 109,230                          | -                              | 109,230                                 |
| Supplies and Materials                              | 10,044                           | -                              | 10,044                                  |
| Disbursement of Fees                                | -                                | 153,904                        | 153,904                                 |
| Other   | 23,325                           | 5,640                          | 28,965                                  |
| <i>Total Operating Cash Disbursements</i>           | <u>187,383</u>                   | <u>159,544</u>                 | <u>346,927</u>                          |
| <i>Operating Income (Loss)</i>                      | 54,231                           | 13,626                         | 67,857                                  |
| <b>Non-Operating Receipts (Disbursements)</b>       |                                  |                                |   |
| Special Assessments                                 | 65,691                           | -                              | 65,691                                  |
| Principal Retirement                                | (61,374)                         | -                              | (61,374)                                |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>4,317</u>                     | <u>-</u>                       | <u>4,317</u>                            |
| <i>Net Income (Loss)</i>                            | 58,548                           | 13,626                         | 72,174                                  |
| <i>Fund Cash Balances, January 1</i>                | <u>13,172</u>                    | <u>10,665</u>                  | <u>23,837</u>                           |
| <i>Fund Cash Balances, December 31</i>              | <u>\$ 71,720</u>                 | <u>\$ 24,291</u>               | <u>\$ 96,011</u>                        |

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

**Village of Northfield  
Summit County  
Notes to the Basic Financial Statements  
For the Years Ended 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 Northfield, Summit County, (the Village) as a body corporate and politic. A publicly-elected six member Council directs the Village. The Village provides general governmental services including maintenance of roads, sanitary sewer/storm sewer facilities, park operations, building and zoning, police, fire protection and emergency medical services.

The Village participates in a jointly governed organization. Note 11 to the financial statements provides additional information for this entity. This organization is:

Jointly Governed Organization:  
Northfield Macedonia Union Cemetery

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 the 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 Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**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 reports all financial resources except those required to be accounted for in another fund.

**Village of Northfield  
Summit County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014  
(Continued)**

**1. Summary of Significant Accounting Policies (continued)**

**D. Fund Accounting (continued)**

**2. Special Revenue Funds**

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

Fire Rescue/Ambulance Levy Fund - This fund receives property tax money and charges for services for the operation of the fire department and EMS services.

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

**3. 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:

Sanitary Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

**4. 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 had no private purpose trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations and other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's primary agency fund accounts for Mayor's court fines and bonds.

**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 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.

**Village of Northfield  
Summit County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014  
(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 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 carried forward to the subsequent year.

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. The Village classifies unclaimed monies as nonspendable.

**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 or ordinance). The Village must adhere to these commitments unless the Council amends the resolution or ordinance. 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.

**Village of Northfield  
Summit County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014  
(Continued)**

**1. Summary of Significant Accounting Policies (continued)**

**F. Fund Balance (continued)**

**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.

**H. 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 Deposits and Investments**

The Village maintains a deposit and investments 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                | \$ 1,623,664 | \$ 1,067,298 |
| Cash on hand                   | 1,500        | 1,500        |
| Total deposits                 | 1,625,164    | 1,068,798    |
| <br>STAR Ohio                  | <br>80       | <br>80       |
| Total investments              | 80           | 80           |
| Total deposits and investments | \$ 1,625,244 | \$ 1,068,878 |

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

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.



**Village of Northfield  
Summit County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014  
(Continued)**

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

| 2015 Budgeted vs. Actual Receipts |                      |                    |            |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance   |
| General                           | \$ 3,858,114         | \$ 4,606,206       | \$ 748,092 |
| Special Revenue                   | 1,350,319            | 3,261,606          | 1,911,287  |
| Enterprise                        | 339,135              | 320,150            | (18,985)   |

| 2015 Budgeted vs. Actual Budgetary Basis Disbursements |                            |                            |            |
|--|----------------------------|----------------------------|------------|
| Fund Type  | Appropriation<br>Authority | Budgetary<br>Disbursements | Variance   |
| General  | \$ 4,743,437               | \$ 4,576,769               | \$ 166,668 |
| Special Revenue  | 3,654,822                  | 3,021,247                  | 633,575    |
| Enterprise   | 406,345                    | 349,154                    | 57,191     |

| 2014 Budgeted vs. Actual Receipts |                      |                    |            |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance   |
| General                           | \$ 4,142,959         | \$ 4,668,480       | \$ 525,521 |
| Special Revenue                   | 1,841,989            | 1,327,408          | (514,581)  |
| Enterprise                        | 306,110              | 307,305            | 1,195      |

| 2014 Budgeted vs. Actual Budgetary Basis Disbursements |                            |                            |              |
|--|----------------------------|----------------------------|--------------|
| Fund Type  | Appropriation<br>Authority | Budgetary<br>Disbursements | Variance     |
| General  | \$ 4,117,007               | \$ 4,252,496               | \$ (135,489) |
| Special Revenue  | 1,774,271                  | 1,818,568                  | (44,297)     |
| Enterprise   | 305,549                    | 305,887                    | (338)        |

**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.

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

**Village of Northfield  
Summit County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014  
(Continued)**

**5. Local Income Tax**

The Village levies a municipal income tax of 2 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. Debt**

Debt outstanding at December 31, 2015 was as follows:

|                                    | <u>Principal</u>    | <u>Interest Rate</u> |
|------------------------------------|---------------------|----------------------|
| Fire Construction Bonds            | \$ 71,213           | 5.75%                |
| OPWC Loan #CH10E                   | 130,830             | 0.00%                |
| OPWC Loan #CH08F                   | 190,485             | 0.00%                |
| OPWC Loan #CH05G                   | 360,528             | 0.00%                |
| OPWC Loan #CU03J                   | 290,925             | 0.00%                |
| OPWC Loan #CH09K                   | 381,172             | 0.00%                |
| OPWC Loan #CH15M                   | 200,610             | 0.00%                |
| OPWC Loan #CH05O                   | 580,041             | 0.00%                |
| Fire Truck Lease #2                | 6,297               | 3.33%                |
| Police Cruiser Lease               | 18,000              | 5.45%                |
| Service Department Equipment Lease | 131,207             | 2.76%                |
| Total                              | <u>\$ 2,361,308</u> |                      |

During our audit we noted that the prior audited outstanding debt balance was overstated by \$6,506.

The Fire Construction Bonds relate to a \$500,000 fire station construction project. The bond payments will be paid in semi-annual payments of \$25,099, including interest, over 15 years. The bonds are paid from the Fire Levy Fund.

The Ohio Public Works Commission (OPWC) Loan #CH10E relates to a \$348,880 general street reconstruction project. The loan payments will be paid in semi-annual installments of \$8,722 over 20 years. Thirty-five percent of the loan will be paid from the sewer use charges and the remaining from the Special Revenue, Street Construction, Maintenance and Repair Fund.

OPWC Loan #CH08F relates to a \$448,200 general street reconstruction project. The loan payments will be paid in semi-annual installments of \$11,205 over 20 years. Forty percent of the loan will be paid from the sewer use charges and the remaining from the Special Revenue, Street Construction Maintenance, and Repair Fund.

OPWC Loan #CH05G relates to a \$627,005 general street reconstruction project. The loan payments will be paid in semi-annual installments of \$15,675 over 20 years. Forty percent of the loan will be paid from the sewer use charges and the remaining from the Special Revenue, Street Construction, Maintenance and Repair Fund.

**Village of Northfield  
Summit County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014  
(Continued)**

**6. Debt (continued)**

OPWC Loan #CU03J relates to a \$387,900 general street reconstruction project. The loan payments will be paid in semi-annual installments of \$6,465 over 30 years. Forty percent of the loan will be paid from the sewer use charges and the remaining from the Special Revenue, Street Construction, Maintenance and Repair Fund.

OPWC Loan #CH09K relates to a \$525,755 general street construction project. The loan payments will be paid in semi-annual installments of \$13,144 over 20 years. Forty percent of the loan will be paid from the sewer use charges and the remaining from the Special Revenue, Street Construction, Maintenance and Repair Fund.

OPWC Loan #CH15M relates to a \$267,480 general street construction project. The loan payments will be paid in semi-annual installments of \$6,687 over 20 years. Forty percent of the loan will be paid from the sewer use charges and the remaining from the Special Revenue, Street Construction, Maintenance and Repair Fund.

OPWC Loan #CH05O relates to a \$644,490 general street construction project. The loan payments will be paid in semi-annual installments of \$16,112 over 20 years. Forty percent of the loan will be paid from the sewer use charges and the remaining from the Special Revenue, Street Construction, Maintenance and Repair Fund.

The fire truck lease #2 relates to a 2015 Ford F-150. Lease payments will be paid in yearly installments of \$6,506, including interest, over 5 years.

The service department equipment lease relates to various equipment needs of the Village for road repair work. Lease payments will be made in yearly installments of \$28,454, including interest, over 5 years.

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

| Year ending Dec 31: | Fire Bonds       | OPWC                | Leases            |
|---------------------|------------------|---------------------|-------------------|
| 2016                | \$ 50,198        | \$ 156,021          | \$ 44,414         |
| 2017                | 25,099           | 156,021             | 37,908            |
| 2018                | -                | 156,021             | 28,454            |
| 2019                | -                | 156,021             | 28,454            |
| 2020                | -                | 156,021             | 28,454            |
| 2021-2025           | -                | 702,878             | -                 |
| 2026-2030           | -                | 457,963             | -                 |
| 2031-2035           | -                | 161,323             | -                 |
| 2036-2040           | -                | 32,322              | -                 |
| Total               | <u>\$ 75,297</u> | <u>\$ 2,134,591</u> | <u>\$ 167,684</u> |

**Village of Northfield  
Summit County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014  
(Continued)**

**7. Retirement Systems**

The Village's certified fire fighters and full-time police officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates.

From January 1 to June 30, 2014, OP&F participants contributed 10.75% of covered payroll, from July 1, 2014 to July 1, 2015, OP&F participants contributed 11.50% of covered payroll and from July 1, 2015 to December 31, 2015 OP&F participants contributed 12.25%. For 2015 and 2014, the Village contributed to OP&F an amount equal to 19.50% of full-time police members' wages. For 2015 and 2014, OPERS members contributed 10% of their covered payroll and the Village contributed an amount equaling 14% of participants' covered payroll. The Village has paid all contributions required through December 31, 2015.

**8. Risk Management**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- Commercial inland marine
- Law enforcement liability
- Public officials liability
- Employer's liability
- Commercial excess liability

There have been no settlements paid in excess of insurance coverage nor has insurance coverage been significantly reduced in the past three years.

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

The Village also provides health insurance, life, dental and vision coverage to all full-time employees.

**9. Contingent Liabilities/Subsequent Events**

The Village may be a defendant in various lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

**10. Transfers**

During 2014 and 2015, the Village made various transfers to subsidize operations and to provide for expenditures. All transfers were approved in accordance with Ohio Revised Code sections 5705.14, 5705.15, and 5705.16.

**Village of Northfield  
Summit County  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2015 and 2014  
(Continued)**

**11. Jointly Governed Organization**

The Northfield Macedonia Union Cemetery is a jointly governed organization consisting of the City of Macedonia, the Village of Northfield, Northfield Center Township and Sagamore Hills Township. The jointly governed organization was formed based on the boundaries in relation to the cemetery. Each of the communities contributes a nominal fee for the maintenance of the cemetery. This fee is calculated based on the community's tax value. The cemetery Board consists of three Board members appointed by the respective communities. One of the four communities rotates in not appointing a member each year. During fiscal years 2015 and 2014, the Village's fees were \$11,067 and \$10,382 respectively.

**12. Budgetary Noncompliance**

Contrary to Ohio Revised Code Section 5705.10(H), at December 31, 2014, one fund had a negative fund balance.

Contrary to Ohio Revised Code Section 5705.36(A)(1) the Village did not certify the correct beginning fund balances to the Summit County Auditor for 2015 and 2014.

Contrary to Ohio Revised Code Section 5705.41(D) the Village did not certify that expenditures were lawfully appropriated and free from any previous encumbrance for various expenditures tested during 2015 and 2014.

Contrary to Ohio Revised Code Section 5705.39, the Village's total appropriations from one fund exceeded total estimated resources during 2015.

Contrary to Ohio Revised Code Section 5705.41(B), the Village's total budgetary disbursements from several funds exceeded the total appropriations during 2014.

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

Village of Northfield  
Summit County  
10455 Northfield Road  
Northfield, Ohio 44067

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 Northfield, Summit 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 June 24, 2016, 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.

***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.

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 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2015-001 and 2015-002 to be material weaknesses.

**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 2015-003 through 2015-007.


We also noted certain matters not requiring inclusion in this report that we have reported in our letter dated June 24, 2016.

**Entity's Response to Findings**

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.

**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.



**Charles E. Harris and Associates, Inc.**  
June 24, 2016

**VILLAGE OF NORTHFIELD  
SUMMIT COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**Finding Number: 2015-001 – Material Weakness**

**Audit Adjustments and Reclassifications**

During audit procedures performed, errors were noted in the Village’s financial statements that required audit adjustments and reclassifications as follows:

- During 2015, cemetery contributions were classified as Security of Persons and Property instead of Public Health Services.
- During 2015 and 2014, debt payments were not properly allocated to Principal Retirement and Interest and Other Fiscal Charges expenses.
- During 2015 and 2014, Mayor’s court activity was not included on the Village’s financial statements resulting in an understatement of cash, receipts and disbursements.

Management agrees with these adjustments and the accompanying financial statements and the Village’s records have been adjusted to properly reflect these transactions.

The Village Officers’ Handbook (revised March 2016) and the UAN Manual provide suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example). Using these classifications and the aforementioned accounting records will provide the Village with information required to monitor compliance and with the budget and prepare annual reports in the format required by the Auditor of State.

Sound financial reporting is the responsibility of the Village and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Village adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the UAN Manual, the Village Officer’s Handbook and other Auditor of State guidance to aid in properly identifying account classifications and fund balance classifications.

**Finding Number: 2015-002 – Material Weakness**

**Bank Reconciliations**

A bank to book reconciliation should be performed monthly and reviewed and approved by an individual with appropriate fiscal authority. The reconciliation of the Village’s bank accounts with its cash ledgers is a necessary control procedure to adequately safeguard cash and to provide an accurate financial picture of the Village. As part of the bank reconciliation, all differences between the balance appearing on the financial statements and the balance of cash according to the Village’s records should be accounted for.

The Village’s bank accounts and fund balances were not reconciled during fiscal year 2015 and 2014. The Village Clerk Treasurer performed a reconciliation as a part of the compilation of the annual financial statements. Upon conclusion of the reconciliations being performed, the Village’s books were understated in 2014 by \$171,298 and overstated in 2015 by \$152,715.

These adjustments were posted to the Village’s financial accounting system and to the audited financial statements.



**VILLAGE OF NORTHFIELD  
SUMMIT COUNTY  
SCHEDULE OF FINDINGS - CONTINUED  
DECEMBER 31, 2015 AND 2014**

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| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - continued</b> |
|--|

**Finding Number: 2015-002 – Material Weakness (continued)**

We recommend the Village implement procedures to help ensure that bank statements are reconciled to the Village's books on a monthly basis. We further recommend the bank reconciliations be presented to the Village Council for approval on a monthly basis within the minute records. All reconciling amounts should be easily identifiable and explained.

**Finding Number: 2015-003 – Noncompliance**

**Fiscal Officer's Certification of Expenditures**

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making a contract or ordering any expenditure of money unless a certificate signed by a 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.

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 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 Certificates" – If the fiscal officer can certify that both at the time that contract or order was made ("then") and at the time that the fiscal officer was completing the certification ("now"), that sufficient funds were available or in the process of collection, to credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for 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 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 Certificates - Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by ordinance or resolution adopted by a majority of members of the legislative authority against any specific line item amount 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 Certificates – The Village may also make expenditures and contracts for any amount for a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most profession 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.

**VILLAGE OF NORTHFIELD  
SUMMIT COUNTY  
SCHEDULE OF FINDINGS - CONTINUED  
DECEMBER 31, 2015 AND 2014**

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| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - continued</b> |
|--|

**Finding Number: 2015-003 – Noncompliance (continued)**

The Village did not make the proper certification of funds for 50% of disbursements tested during 2014.

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 expenditures exceeding budgetary spending limitations, we recommend that the Village certify expenditures prior to incurring the liability. Also, we recommend the Village only use "then and now" certificates for items under \$3,000 and to have all certificates approved by Council. This will assist in keeping adequate controls over disbursements and encumbrances.

**Finding Number 2015-004 – Noncompliance**

**Disbursements Exceeding Appropriations**

Ohio Revised Code Section 5705.41(B) requires that budgetary disbursements shall not exceed appropriations. In 2014, budgetary disbursements exceeded appropriation authority in the General Fund, Street Construction, Maintenance and Repair Fund, Fire Levy Fund and Sewer Fund by \$135,489, \$10,432, \$33,865, and \$338, respectively.

We recommend that the Village monitor its budget closely to prevent disbursements from exceeding appropriations. Also, we recommend that the Village post appropriations into the accounting system in a timely manner.

**Finding Number 2015-005 – Noncompliance**

**Appropriations Exceeding Estimated Resources**

Ohio Revised Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources.

During 2015, appropriations exceeded estimated resources in the TIF Special Revenue Fund by \$2,273,972.

We recommend that the Village monitor its budget closely to prevent appropriations from exceeding estimated resources. Also, we recommend that the Village ensure that certification of estimated resources is completed accurately and posted into the accounting system in a timely manner.

**Finding Number: 2015-006 – Noncompliance**

**Negative Fund Balances**

Ohio Revised Code Section 5705.10(H) states that money 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 Fire Levy Fund had a deficit fund balance as of December 31, 2014 of \$31,500.

**VILLAGE OF NORTHFIELD  
SUMMIT COUNTY  
SCHEDULE OF FINDINGS - CONTINUED  
DECEMBER 31, 2015 AND 2014**

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| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - continued</b> |
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**Finding Number: 2015-006 – Noncompliance (continued)**

We recommend Council pay close attention to the bank reconciliations and financial reports the Clerk Treasurer provides at each meeting. We also recommend that Village Council review and sign off on all monthly reconciliations and maintain vigilance over each fund and its respective balance from this point forward.

**Finding Number: 2015-007 – Noncompliance**

**Certification of Available Revenue**

Ohio Rev. Code Section 5705.36(A)(1) indicates 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 fiscal officer 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. Although, the Certificate of the Total Amount From All Sources Available for Expenditures, and Balances was filed with the Summit County Auditor for fiscal year 2015 and 2014, the beginning fund balances were incorrect.

We recommend the Village file on or about the first day of the fiscal year an accurate Certificate of the Total Amount From All Sources Available for Expenditures, and Unencumbered Balances existing at the end of the preceding year.

***Management Response:*** The errors and compliance issues referred to in the findings above were previously existing issues from the prior management of the Village. The Village has implemented controls to eliminate these errors and compliance issues in the future.

**VILLAGE OF NORTHFIELD  
SUMMIT COUNTY  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015 AND 2014**

| <b>FINDING NUMBER</b> | <b>FUNDING SUMMARY</b>  | <b>FULLY CORRECTED?</b> | <b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i></b> |
|-----------------------|---|-------------------------|--|
| 2013-VN-01            | Mispostings and Misclassifications Resulting in Financial Statement Adjustments | No                      | Partially Corrected, Repeated as 2015-001  |
| 2013-VN-02            | Improper Recording of OPWC Grant  | Yes                     | Finding No Longer Valid  |
| 2013-VN-03            | Segregation of Duties   | Yes                     | Finding No Longer Valid  |
| 2013-VN-04            | Bank Reconciliations  | No                      | Partially Corrected, Repeated as 2015-002  |
| 2013-VN-05            | Income Tax and OPERS Late Payments and Penalties                                | No                      | Partially Corrected, Moved to Management Letter  |
| 2013-VN-06            | Posting Estimated Revenues and Appropriations                                   | Yes                     | Finding No Longer Valid  |
| 2013-VN-07            | Overtime Approval, Comp Time  | Yes                     | Finding No Longer Valid  |
| 2013-VN-08            | Inspection Fees – Service Department  | Yes                     | Finding No Longer Valid  |
| 2013-VN-09            | Purchase Orders   | No                      | Repeated as 2015-003   |
| 2013-VN-10            | Expenditures Exceeding Appropriations   | No                      | Repeated as 2015-004   |
| 2013-VN-11            | Negative Fund Balance   | No                      | Repeated as 2015-006   |



# Dave Yost • Auditor of State

VILLAGE OF NORTHFIELD

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  
NOVEMBER 10, 2016