



Dave Yost • Auditor of State



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August 6, 2018

Village of Nashville
Holmes County
P.O. Box 417
Nashville, Ohio

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Village of Nashville, Holmes County, (the Village) for the years ended December 31, 2017 and 2016.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 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, 2017 and 2016.

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

Based on the results of our procedures, we found the following significant compliance and accounting issues to report.

Current Year Observations

1. The Village has outstanding checks to the State of Ohio Department of Taxation from December 31, 2015 in the amount of \$97.57 and December 31, 2016 in the amounts of \$97.06 and \$83.28. Additionally, they have outstanding payments to Killbuck Savings Bank for Federal Tax and Medicare withholding from December 31, 2015 in the amount of \$840.60 and December 31, 2016 in the amounts of \$911.93 and \$861.

The Village should adopt an outstanding check policy to include procedures for following up on outstanding checks and a time period after which these checks are to be removed from the outstanding check list and a corresponding entry made to the accounting records. Additionally, the Village Council should review the monthly cash reconciliation for unusual reconciling items and question old checks that have not cleared or other items that appear in the reconciliation. Follow-up by Council should be documented and be completed in a timely manner.

Current Year Observations (Continued)

2. During 2012, the Village did not properly submit the 2012 Federal Tax and Medicare withholding to the Internal Revenue Service due to an incorrect federal identification number being used during the submission process. This affected not only the Federal withholdings as well as State withholdings. The required withholding submissions for both were still outstanding at December 31, 2017. The Village is working with the Internal Revenue Service and State of Ohio to properly submit these withholding payments.

The Village should continue to work with the Internal Revenue Service and State Income Tax Department to submit the Tax Withholding payments and ensure all future submissions include the correct federal identification number. Our prior audit also reported this deficiency.

3. We noted there was one manual check issued during 2016. We inquired with the Village and per review of a narrative of the nonpayroll procedures it was noted that blank checks are signed by the authorized Council Members and the Fiscal Officer will fill in the vendor name, date and amount at a later time, which is then to be reviewed by Council.

The Village should not issue any blank checks. All checks signed by the Council Members should have the vendor name, amount, and date filled in. This is to ensure that all checks that are issued are for a proper public purpose and have proper supporting documentation.

4. We noted that the Village water payments were being received at the Fiscal Officer's home address. We inquired with the Mayor and Council Member noting that the Fiscal Officer does indeed receive the water payments at her home address.

The Village should not have water payments sent to the Fiscal Officer's home address. The water payments should be sent to either a Post Office Box or the Village's physical address to help ensure checks are not lost or misplaced and can be properly safeguarded.

Current Status of Matters We Reported in Our Prior Engagement

1. In our prior basic audit, the Village had not disbursed the revenue payable to the General Fund and to the Ohio Treasurer of State in accordance with Ohio Rev. Code sections 274.70(A)(1) and 2949.091(A)(1); No issues were noted during the current procedures.
2. In our prior basic audit, we noted the Village was not utilizing a utility billing system which would provide utility billing, utility receipt, delinquent billings, or noncash adjustment reports. Although the Village is still not utilizing a utility billing system, they are utilizing Microsoft Excel spreadsheets to record this information.
3. In our prior basic audit, the Village did not record loan proceeds or the corresponding expenditure on the Village's books totaling \$9,300. The loan was for the purchase of a truck in the prior audit period and will have no effect on the current audit period or subsequent periods.
4. In our prior basic audit, the Village had outstanding checks to the State of Ohio Department of Taxation from December 30, 2011 in the amount of \$23.50 and December 30, 2012 in the amount of \$47.98. Additionally, they had outstanding checks to Killbuck Savings Bank for Federal Tax and Medicare withholding from December 31, 2012 in the amount of \$645.03 as noted above under current observation 1.

Current Status of Matters We Reported in Our Prior Engagement (Continued)

5. During 2014, the Village did not submit their state withholding tax to the Ohio Department of Taxation. The amount due was \$97.06. During 2016, the Village submitted this amount.

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Dave Yost
Auditor of State

August 6, 2018

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VILLAGE OF NASHVILLE

HOLMES COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST, 23 2018