



Dave Yost • Auditor of State





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Village of Nashville  
Holmes County  
P.O. Box 417  
Nashville, Ohio 44661

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, Ohio, (the Village) for the years ended December 31, 2015 and 2014.

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, 2015 or 2014.

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.

## Current Year Observations

1. The Village has an outside bank account containing undistributed Mayor's Court receipts in the amount of \$4,323. The Village established an agency fund as a result of the prior basic audit. However, the amount of that agency fund is \$6,750. The difference of \$2,427 was the amount that was due to the General Fund. This amount should be adjusted to the General Fund. Furthermore, a portion of the bank balance is payable to the Ohio Treasurer of State and has not been distributed as required by Ohio Rev. Code sections 2743.70(A)(1) and 2949.091(A)(1).

The Village should adjust the balance in the agency fund to the amount payable to the Ohio Treasurer of State and should credit the General Fund for the amount due to that fund. Furthermore, the Village should remit the proper portion of Mayor's Court receipts to the Ohio Treasurer of State as required by Ohio Rev. Code sections 2743.70(A)(1) and 2949.091(A)(1). Our prior audit also reported a similar deficiency.

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. The required withholding submission was still outstanding at December 31, 2015. Furthermore, the Village did not properly submit the 2014 or 2015 Federal Tax and Medicare withholding to the Internal Revenue Service due to an incorrect federal identification number being used during the submission process. The Village is working with the Internal Revenue Service to properly submit these withholding payments.

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

### **Current Year Observations (Continued)**

3. During 2014, the Village did not submit their state withholding tax to the Ohio Department of Taxation. The amount due was \$97.15

The Village should submit all payments when they are due.

4. The Village has 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 have an outstanding payment to Killbuck Savings Bank for Federal Tax and Medicare withholding from December 31, 2012 in the amount of \$645.03.

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.

5. During 2014, 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.

The Village should ensure all activity is recorded in the accounting ledgers, including loan proceeds that are paid from a bank directly to a vendor. This will help ensure the Village's books are complete and accurate.

### **Current Status of Matters We Reported In Our Prior Engagement**

1. In our prior basic audit, we noted the Village had not established an Agency Fund for the Mayor's Court receipts. During the audit period, this agency fund was established. In addition, 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) as noted above under current observation 1;
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, we noted the Village did not properly submit the 2012 federal Tax and Medicare withholding to the Internal Revenue Service as noted above under current observation 2.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 7, 2016



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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  
JULY 26, 2016**