



Dave Yost • Auditor of State



Dave Yost • Auditor of State

Village of Haviland
Paulding County
101 North Street
Haviland, Ohio 45851

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 Haviland, Paulding 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 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, 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 Section 117.11(A) is to examine, analyze and inspect these records and documents.

Current Year Observation

We examined the bank reconciliation prepared as of December 31, 2016 and noted the bank balances for two certificate of deposits did not match the balances on the bank statements. This resulted in an understatement of interest revenue and fund balances in the funds in which interest should have been allocated.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Un-posted interest results in inaccurate fund cash balance information. The fiscal officer should review interest transactions recorded since the last reconciliation and correct the error.

Also, the Village's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft.

We recommend the Fiscal Officer post all interest and properly state bank balances on the bank reconciliations. We further recommend that Council or audit committee review bank reconciliations and substantiate the amounts included on the bank reconciliation by tracing amounts to bank statements and other supporting documentation.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "y".

Dave Yost
Auditor of State

August 30, 2017



Dave Yost • Auditor of State

VILLAGE OF HAVILAND

PAULDING 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
SEPTEMBER 19, 2017