



Dave Yost • Auditor of State



VILLAGE OF BALTIC  
TUSCARAWAS COUNTY  
DECEMBER 31, 2017

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Baltic  
Tuscarawas  
102 West Main Street  
Baltic, Ohio 43804

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 Baltic, Tuscarawas County, Ohio (the Village) as of and for the year ended December 31, 2017.

### ***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 § 117.38 and Ohio Administrative Code § 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 such 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 § 117.38 and

Ohio Administrative Code § 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 § 117.38 and Ohio Administrative Code § 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, 2017, and the respective changes in financial position thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Baltic, Tuscarawas County, as of December 31, 2017, for the year then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, the January 1, 2017 fund balances for the Debt Service and Enterprise Funds were restated to correct the reporting of Enterprise Fund debt. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2018, 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.



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

August 23, 2018

**Village of Baltic, Ohio**  
*Tuscarawas County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2017*

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>						
Property and Other Local Taxes	\$40,411	\$14,757	\$0	\$22,495	\$0	\$77,663
Municipal Income Tax	106,001	194,784	28,130	0	0	328,915
Intergovernmental	22,562	856,756	0	1,742	0	881,060
Charges for Services	12,291	84,510	0	0	0	96,801
Fines, Licenses and Permits	470	0	0	0	0	470
Earnings on Investments	614	1,422	0	0	0	2,036
Miscellaneous	4,512	66,770	0	0	0	71,282
<i>Total Cash Receipts</i>	<u>186,861</u>	<u>1,218,999</u>	<u>28,130</u>	<u>24,237</u>	<u>0</u>	<u>1,458,227</u>
<b>Cash Disbursements</b>						
Current:						
Security of Persons and Property	14,001	86,067	0	0	0	100,068
Public Health Services	13,565	8,311	0	0	0	21,876
Leisure Time Activities	10,733	0	0	0	0	10,733
Community Environment	546	0	0	0	0	546
Transportation	52,665	144,412	0	0	0	197,077
General Government	131,365	0	0	0	0	131,365
Capital Outlay	10,880	784,618	0	0	0	795,498
Debt Service:						
Principal Retirement	0	33,458	25,466	0	0	58,924
Interest and Fiscal Charges	0	2,242	10,210	0	0	12,452
<i>Total Cash Disbursements</i>	<u>233,755</u>	<u>1,059,108</u>	<u>35,676</u>	<u>0</u>	<u>0</u>	<u>1,328,539</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(46,894)</u>	<u>159,891</u>	<u>(7,546)</u>	<u>24,237</u>	<u>0</u>	<u>129,688</u>
<b>Other Financing Receipts</b>						
Sale of Capital Assets	60	0	0	11,701	0	11,761
Other Financing Sources	5,318	1,380	0	0	0	6,698
<i>Total Other Financing Receipts</i>	<u>5,378</u>	<u>1,380</u>	<u>0</u>	<u>11,701</u>	<u>0</u>	<u>18,459</u>
<i>Net Change in Fund Cash Balances</i>	<u>(41,516)</u>	<u>161,271</u>	<u>(7,546)</u>	<u>35,938</u>	<u>0</u>	<u>148,147</u>
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>213,407</u>	<u>167,698</u>	<u>(903)</u>	<u>148,118</u>	<u>31,458</u>	<u>559,778</u>
<b>Fund Cash Balances, December 31</b>						
Nonspendable	0	0	0	0	31,458	31,458
Restricted	0	377,998	0	184,056	0	562,054
Assigned	175,500	0	0	0	0	175,500
Unassigned (Deficit)	(3,609)	(49,029)	(8,449)	0	0	(61,087)
<i>Fund Cash Balances, December 31</i>	<u>\$171,891</u>	<u>\$328,969</u>	<u>(\$8,449)</u>	<u>\$184,056</u>	<u>\$31,458</u>	<u>\$707,925</u>

See accompanying notes to the basic financial statements

**Village of Baltic, Ohio**  
*Tuscarawas County*  
*Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2017*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$369,337
Miscellaneous	3,999
	373,336
<b>Operating Cash Disbursements</b>	
Personal Services	108,117
Transportation	732
Contractual Services	105,880
Supplies and Materials	34,617
	249,346
<i>Total Operating Cash Receipts</i>	<i>373,336</i>
<i>Total Operating Cash Disbursements</i>	<i>249,346</i>
<i>Operating Income</i>	<i>123,990</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Earnings on Investments (proprietary funds only)	17
Capital Outlay	(34,306)
Principal Retirement	(50,226)
Interest and Other Fiscal Charges	(10,775)
	(95,290)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(95,290)</i>
<i>Net Change in Fund Cash Balances</i>	<i>28,700</i>
<i>Fund Cash Balances, January 1 (Restated)</i>	<i>146,719</i>
<i>Fund Cash Balances, December 31</i>	<i>\$175,419</i>

*See accompanying notes to the basic financial statements*



**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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 Baltic, Tuscarawas County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, fire protection and police services. The Village contracts with the Tuscarawas County Sheriff's department to provide security of persons and property.

The Village participates in jointly governed organizations and the Ohio Plan Risk Management, Inc., a public entity risk pool. Notes 9 and 10 to the financial statements provides additional information for these entities. These organizations are:

Public Entity Risk Pool:

The Village belongs to the Ohio Plan Risk Management, Inc. pool.

Jointly Governed Organizations:

Swiss Valley Joint Ambulance District (The District)

The District is a body corporate and politic formed by the Village and several other political subdivisions under Ohio Revised Code § 505.375 to provide emergency medical services.

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 Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 § 117.38 and Ohio Administrative Code § 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.

The Village values U.S. Treasury Notes and common stock at fair value when donated. STAR Ohio is recorded at share values of the mutual funds report.

The Village values U.S. Treasury Notes and common stock at cost (or fair value when donated). Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

FEMA-Fire Fund - This fund receives federal grant monies to fund the purchase of fire equipment for the Village.

**3. Debt Service Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Debt Service Fund – Income tax revenue is allocated to this fund to retire debt related to various water and sewer improvement projects.

**4. Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Fire Truck Fund – This fund receives property tax revenue for the purpose of purchasing equipment for the Village Fire Department.

**5. Permanent Funds**

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant Permanent Fund:

Cemetery Endowment Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**6. 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:

Water Fund - This fund receives charges for services from residents to cover water service costs.

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

**E. Budgetary Process**

The Ohio Revised Code requires that each fund 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. Unencumbered appropriations lapse at year end.

**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 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 over, and need not be reappropriated.

A summary of 2017 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into 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.

VILLAGE OF BALTIC  
TUSCARAWAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

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. 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.

4. 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.

**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**2. RESTATEMENT OF FUND BALANCE**

The beginning balances of the Debt Service Fund and Enterprise Fund were restated at January 1, 2017 as shown below due to a prior period error in recording Enterprise Fund debt in a Governmental Fund Type:

	Debt Service Fund Balance	Enterprise Fund Balance
Beginning Balance, January 1, 2017	\$ 57,709	\$ 88,107
Adjustment	(58,612)	58,612
Restated January 1, 2017 Balance	\$ (903)	\$ 146,719

**3. 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:

	2017
Demand deposits	\$790,125
Total deposits	790,125
U.S. Treasury Notes	
STAR Ohio	87,574
Common stock (at cost, fair value was \$50,525 at December 31, 2017.)	5,645
Total investments	93,219
Total deposits and investments	\$883,344

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; and collateralized by securities specifically pledged by the financial institution to the Village.

**Investments:** The Village's common stock is with Kroger Corporation and valued at the value at the time of the donation.

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

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2017 follows:

Fund Type	2017 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	244,768	192,239	(\$52,529)
Special Revenue	1,104,613	1,220,379	115,766
Debt Service	38,000	28,130	(9,870)
Capital Projects	23,000	35,938	12,938
Enterprise	354,010	373,353	19,343
Total	\$1,764,391	\$1,850,039	\$85,648

**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**4. BUDGETARY ACTIVITY (Continued)**

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$234,255	(\$234,255)
Special Revenue	0	1,062,825	(1,062,825)
Debt Service	0	35,676	(35,676)
Capital Projects	0	0	0
Enterprise	0	354,121	(354,121)
Total	\$0	\$1,686,877	(\$1,686,877)

Contrary to Ohio Rev. Code § 5705.10(C) property tax settlements and intergovernmental revenues were not included in the correct funds resulting in adjustment to certain funds' cash balance.

Contrary to Ohio Rev. Code § 5705.10(I), numerous funds of the Village maintained a negative fund balance throughout the audit period.

Contrary to Ohio Rev. Code § 5705.38(A), appropriations were not formally approved by Village Council. Since appropriations were not formally approved, expenditures in all funds exceeded appropriations contrary to Ohio Rev. Code § 5705.41(B).

Contrary to Ohio Rev. Code § 5735.28 gasoline excise tax and state and local government highway distributions were not properly allocated to the Street Maintenance and State Highway Funds.

Contrary to Ohio Admin. Code § 117-2-02(C)(1), estimated revenue and appropriations reported in the accounting system did not always agree to the approved amounts.

**5. 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.

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

**6. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1.5% 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.

**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**7. DEBT**

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
Baltic State Bank -Fire Truck	\$63,477	2%
OWDA	658,221	2%
OPWC	294,775	0%
Baltic State Bank - Back Hoe	23,049	4.50%
Baltic State Bank - Wastewater Plant	218,570	3%
Total	\$1,258,092	

On May 17, 2015, the Village issued a \$291,176 promissory note in anticipation of bonds for the purpose of retiring the 2005 bonds as the new bonds have a more favorable interest rate. The bonds will mature in 10 years and have an interest rate of 3%.

The bank loan on the 2006 International Fire Truck was issued on March 18, 2015 for \$145,000. It has an interest rate of 2% and will mature on March 25, 2020.

The bank loan for the backhoe was issued on May 1, 2012 for \$46,000. It has an interest rate of 4.5% and will mature on May 5, 2022.

The Ohio Public Works Commission loans related to a water and sewer plant expansion project as well as storm sewer improvements. They are 0% interest loans. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project. The OWDA approved up to \$834,578 for this project. The Village will repay the loans in semiannual installments until 2040. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Village's taxing authority collateralized the bonds.

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

2018	\$22,835	\$37,129	\$32,400	\$34,200	\$5,800
2019	22,835	37,129	32,400	34,200	5,800
2020	22,835	37,129	8,100	34,200	5,800
2021	22,835	37,129		34,200	5,800
2022	22,835	37,129		34,200	2,900
2023-2027	111,925	185,647		79,800	
2028-2032	62,925	185,647			
2033-2037	5,750	185,647			
2038-2042		92,825			
Total	\$294,775	\$835,411	\$72,900	\$250,800	\$26,100

**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**8. RETIREMENT SYSTEMS**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2017, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

**9. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Risk Pool Membership**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Until November 1, 2016, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 762 members as of December 31, 2016.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2016 (latest information available).



**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(Continued)**

**9. RISK MANAGEMENT (Continued)**

	<u>2016</u>
Assets	\$14,765,712
Liabilities	<u>(9,531,506)</u>
Members' Equity	<u>\$ 5,234,206</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**10. JOINTLY GOVERNED ORGANIZATIONS**

Swiss Valley Joint Ambulance District (the District)

The District provides emergency medical services for the Village. The District is directed by an appointed three member board of Trustees. One Board Member is appointed by each political subdivision within the District. Those subdivisions are the Village of Baltic, Clark Township, and Bucks Township. The District provides emergency medical services to citizens within those areas. During 2017, the Village paid \$12,720 in total to the District.

**11. HEALTH INSURANCE**

The Village provides health insurance to all employees through the Tuscarawas County Healthcare Consortium. The Village is invoiced their monthly premiums, and the premiums are paid to the County.

**12. SUBSEQUENT EVENT**

On March 23, 2018, the Village sold 956 shares of the Kroger common stock for \$25,283. The monies were receipted into the Cemetery Fund. The Village still holds 1,824 shares of Kroger Common stock.

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# Dave Yost • Auditor of State

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

Village of Baltic  
Tuscarawas County  
102 West Main Street  
Baltic, Ohio 43804

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 Baltic, Tuscarawas County, Ohio (the Village), as of and for the year ended December 31, 2017, and the related notes to the financial statements and have issued our report thereon dated August 23, 2018, wherein we noted the Village followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Also, the January 1, 2017, fund balances for the Debt Service and Enterprise Funds were restated to correct the reporting of Enterprise Fund debt.

### ***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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

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 a 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. We consider Findings 2017-001, 2017-003, 2017-004, and 2017-006 through 2017-008 described in the accompanying Schedule of Findings to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Finding 2017-005 described in the accompanying Schedule of Findings to be a significant deficiency.

***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 2017-001 through 2017-006.

***Village's Responses to Findings***

The Village's responses to the Findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the Village's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***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.



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

August 23, 2018

**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2017-001**

**Noncompliance and Material Weakness**

Ohio Rev. Code § 5705.10(C) requires that all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made. The Village had levies outside of the ten mill limitation for the purposes of supporting fire operations, police operations, ambulance services and the purchase of fire trucks. In addition to property tax monies being assessed and collected for these levies, the State of Ohio reimbursed taxing sub divisions for tax deductions (non-business credits, owner-occupancy credits and homestead credits). These revenues were derived and allocated based upon property tax levies.

During 2017, there were multiple instances where Property and Local Taxes and Intergovernmental Revenue derived from levies were reported in incorrect funds. They included the following:

- Tax reimbursements were posted to the General Fund, Street Maintenance Fund and State Highway instead of being allocated to the correct tax levying funds. Additionally, second half property taxes levied for the Fire Truck Fund were posted entirely to the Fire Fund. As a result, the cash balances of the General Fund, Street Maintenance Fund, State Highway and Fire Fund were overstated by \$3,090, \$325, \$26 and \$9,584, respectively. The cash balances of the Police Fund, Ambulance and Emergency Service Fund and Fire Truck Fund were understated by \$512, \$710 and \$11,803, respectively;
- General Fund Property and Other Local Taxes were overstated by \$8,111. General Fund Intergovernmental Revenue was understated by \$5,021;
- Special Revenue Funds Property and Other Local Taxes were understated by \$16,822. Special Revenue Funds Intergovernmental Revenue was overstated by \$21,159; and
- Capital Projects Funds Property and Other Local Taxes and Intergovernmental Revenue were understated by \$10,061 and \$1,742, respectively.

Inaccurate reporting of revenue could lead to tax levy money and other funds being utilized for unallowable disbursements that do not correspond with the legally required intent of such money. Additionally, 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.

These adjustments were agreed to by management. The financial statements and accounting system have been adjusted accordingly.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures to identify and correct errors and omissions. In addition, the Village should review the financial statements and notes prior to submission for audit.

**Officials' Response:** The Fiscal Officer was shown on computer where to access how these should be posted. This is also part of the reason for the request of audit so soon.

VILLAGE OF BALTIC  
TUSCARAWAS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2017  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2017-002

**Noncompliance**

Ohio Rev. Code § 5705.10(I) requires that monies paid into any fund be used only for the purposes for which such fund has been established. A negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The following funds incurred negative fund balances throughout 2017 with the following variances:

<u>Fund</u>	<u>Variances</u>
State Highway Fund	(\$1,287) to (\$3,465)
Fire Fund	(\$17,504)
Permissive Tax	(\$9,896) to (\$25,090)
Debt Service Fund	(\$2,626) to (\$8,599)
Water Fund	(\$4,791) to (\$8,734)
Sewer Fund	(\$5,780) to (\$35,309)

As a result, monies from other funds were used to cover the obligations incurred by these funds, which may not be allowable based upon each fund's restriction or purpose.

The Village should monitor receipts and disbursements on a regular basis to ensure a sufficient fund balance exists before authorizing the expenditure of funds. This will help reduce the risk of negative fund balances and overspending of each respective fund's resources.

**Officials' Response:** We did not receive a response from Officials to this finding.

FINDING NUMBER 2017-003

**Noncompliance and Material Weakness**

Ohio Rev. Code § 5705.38(A) requires, in part, 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 1st.

The Village did not formally approve and certify their appropriation measure for 2017. Therefore, all expenditures were made without any formal approval.

Village Council should approve, and certify to the County Auditor, the annual appropriation measure on or near January 1st of each year. If Village Council chooses to postpone passage of this measure until receipt of an Official Certificate of Estimated Resources, temporary appropriations should be approved by Village Council.

**Officials' Response:** The Fiscal Officer thought they had to wait for the prior audit to be completed so they would be using correct amounts. The Fiscal Officer lost track of time then.

**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2017-004**

**Noncompliance and Material Weakness**

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated. During 2017, all Village funds had expenditures which exceeded approved appropriations at the legal level of control.

The Village did not formally approve nor certify any appropriations for 2017; therefore, expenditures in all funds exceeded appropriations by \$1,686,877.

The Village Council should ensure that appropriations and any supplemental appropriations are approved each year in the Council minutes. The Village Fiscal Officer and Village Council should compare expenditures to appropriations on a monthly basis and deny any payment request exceeding appropriations. If appropriations in addition to those already adopted will be needed, the Village Council should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations.

**Officials' Response:** The Fiscal Officer has a better understanding for this year. Also, she will be attending a seminar to be held by the Tuscarawas County Auditor's office. She is trying to work with them closely.

**FINDING NUMBER 2017-005**

**Noncompliance and Significant Deficiency**

Ohio Rev. Code § 5735.28 requires that wherever a municipal corporation is on the line of the state highway system as designated by the director of transportation as an extension or continuance of the state highway system, seven and one-half per cent of the amount paid to any municipal corporation pursuant to §§ 4501.04, and 5735.27 of the Revised Code shall be used by it only to construct, reconstruct, repave, widen, maintain, and repair such highways, to purchase, erect, and maintain traffic lights and signals, and to erect and maintain street and traffic signs and markers on such highways, or to pay principal, interest, and charges on bonds and other obligations issued pursuant to Chapter 133 of the Revised Code or incurred pursuant to § 5531.09 of the Revised Code for such purposes.

Ohio Rev. Code § 4504.172 documents that for the purpose of paying the costs and expenses of enforcing and administering the tax provided for in this section; to supplement revenue already available to municipal corporations under §§ 4504.04, 4504.06, 4504.17, or 4507.171 of the Revised Code, and to provide additional revenue for the purposes set forth in those sections, the legislative authority of any municipal corporation may levy an annual license tax, without regard to any tax being levied pursuant to §§ 4504.06, 4504.17, or 4504.171, or received pursuant to § 4504.04 of the Revised Code, and in addition to the tax levied by §§ 4503.02, 4503.07, and 4503.18 of the Revised Code, upon the operation of motor vehicles on the public roads or highways.

The Village received gasoline excise tax and state and local government highway distributions. The Village has two state highways within its corporation limits and has established the State Highway Fund to account for the seven and one-half percent distribution of these revenues. They have also established the Street Maintenance Fund to account for remaining 92.5 percent distribution of these revenues.

Additionally, the Village received permissive license tax revenue pursuant to Ohio Rev. Code § 4504.172. The Village has established a Permissive Tax Fund to account for this revenue.

**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2017-005 (Continued)**

**Noncompliance and Significant Deficiency - Ohio Rev. Code § 5735.28 (Continued)**

The Village received these revenues in these three funds. However, the Village did not always report permissive license tax in the Permissive Tax Fund. Gasoline excise tax and state and local government highway distribution were not always properly allocated to the Street Maintenance Fund and State Highway Fund. Revenue was inaccurately reported as follows:

- The Street Maintenance Fund and State Highway Fund under reported activity by \$6,650 and \$690, respectively. The Permissive Tax Fund over reported activity by \$7,340.

Inaccurate reporting of revenue could lead to gasoline excise taxes and state and local government highway distribution monies being utilized for unallowable disbursements that do not correspond with the legally required intent as defined in State statutes. Additionally, 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. These adjustments were agreed to by management. The accounting system has been adjusted accordingly.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures to identify and correct errors and omissions. In addition, the Village should review the financial statements and notes prior to submission for audit.

**Officials' Response:** We did not receive a response from Officials to this finding.

**FINDING NUMBER 2017-006**

**Noncompliance and Material Weakness**

Ohio Admin. Code § 117-2-02(C)(1) requires all local public offices to integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system in order to effectively maintain the accounting and budgetary records. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations. The Village utilized a financial accounting system which was capable of integrating budgetary and actual financial information at a level lower than the legal level of budgetary control.

Appropriations were reflected in the system; however Council did not approve permanent appropriations. This means the total appropriations of \$3,483,056 reflected in the system were posted without proper authorization. Additionally, estimated revenue reported in the financial system did not always agree to the Tuscarawas County Budget Commission (Budget Commission) approved amounts. Variances between approved estimated revenue and system reported budgeted revenue was (\$35,031) to \$578,900.

Inaccurately posted budgetary information could lead to errors in reporting budget versus actual information in the notes to the financial statements. Additionally, utilizing inaccurate budgetary reports throughout the year increases the possibility that management will make financial decisions based off of inaccurate information.



VILLAGE OF BALTIC  
TUSCARAWAS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2017  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2017-006 (Continued)

**Noncompliance and Material Weakness - Ohio Admin. Code § 117-2-02(C)(1) (Continued)**

Council is required to approve annual appropriations by April 1st of each year. Only Council approved appropriations should be posted into the financial system, and these amounts should equal Council approved appropriations as documented in the minutes. Any supplemental, or reduction, in appropriations should be approved by Council prior to being posted. Estimated revenue posted into the financial system should equal Budget Commission approved estimated revenue. This will help provide accurate budget versus actual comparisons and allow management and the Council to make informed financial decisions.

**Officials' Response:** The Fiscal Officer has a better understanding now where these amounts come from and how they are derived. She was just going by what was done in the past. She is working with the County Auditor closely to make sure it is being done correctly.

FINDING NUMBER 2017-007

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

However, errors noted in the Village's financial statements required audit adjustments and reclassifications as follows:

- The Village received reimbursement of \$750 that was recorded as Charges for Services rather than reducing General Government expenditures in the General Fund;
- The Village reported \$12,720 in ambulance services payments as Security of Persons and Property instead of Public Health expenditures in the General Fund;
- Principal Retirement, Interest and Fiscal Charges and other activity were not identified correctly on the financial statements as payments for interest were reported as principal payments and debt payments were reported as other types of disbursements. This resulted in the following classification differences:
  - The Village reported \$10,800 as Other Financing Uses and \$10,800 as Security of Persons and Property in the Special Revenue Funds. However, these payments were for Principal Retirement and Interest and Fiscal Charges of \$20,454 and \$1,146, respectively;
  - The Village reported \$639 in Interest and Fiscal Charges as Principal Retirement in the Special Revenue Funds;
  - The Village reported \$10,800 in Contractual Services expenditures in the Enterprise Funds related to loan payments for a fire truck. However, the loan payments should have been charged to Special Revenue Funds with \$10,343 and \$457 related to Principal Retirement and Interest and Fiscal Charges, respectively;
  - The Village reported \$10,210 in Interest and Fiscal Charges as Principal Retirement in the Debt Service Fund;
  - The Village reported \$7,790 in Principal Retirement as Interest and Fiscal Charges in the Enterprise Funds;

**VILLAGE OF BALTIC  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2017-007 (Continued)**

**Material Weakness (Continued)**

- The Village reported the Debt Retirement Fund as a Debt Service Fund Type when it should have been reported as an Enterprise Fund since it was used to repay debt related to the Enterprise Funds using Charges for Services revenue collected from utility collections. The entire fund activity consisted of \$26,143 in Charges for Services and \$18,565 in Principal and Interest and Fiscal Charges. The beginning balance of \$58,612 was restated.
- Governmental Accounting Standards Board (GASB) Statement No. 54 defined how fund balances were to be classified and was codified as follows: GASB Cod. 1800.168-169 required reporting funds whose revenue has external legal constraints as Restricted. GASB Cod. 1800.170-172 required reporting funds whose revenue had constraints imposed by Council, which could not be changed without Council approval, as Committed. GASB Cod. 1800.173-176 required funds without external or internal constraints to report Assigned fund balances for amounts encumbered or set aside to cover the excess of subsequent year appropriations exceeding estimated revenue. GASB Cod. 1800.177 required other governmental funds to report a negative unassigned fund balance when a deficit balance is incurred. The following inaccurate reporting of fund balances was noted prior to the effect of any audit adjustments:
  - The General Fund's year end cash balance was utilized to cover the deficiency of subsequent year appropriations exceeding estimated revenue at the end of 2017 in the amount of \$175,000. However, these amounts were reported as Unassigned instead of Assigned. Additionally, General Fund encumbered cash balances of \$500 were reported as Unassigned instead of Assigned; and
  - The Capital Projects Funds source of revenue was derived from voted on property taxes in excess of the ten mill limitation, grants and donations provided for specific purposes. As such, the revenue has external constraints and, consequently, the fund balances should be reported as Restricted. However, the Village reported a Committed amount of \$166,292. Additionally, the Village reported an Assigned amount of \$5,961.

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. These adjustments and reclassifications were agreed to by management. The financial statements and accounting system have been adjusted accordingly.

Additional insignificant errors were noted as follows:

- The Village contracted with the Regional Income Tax Agency (RITA) to perform the collection and distribution of municipal income taxes. RITA charged a fee of approximately 3% in each year. The fee was collected from income tax collections and not remitted to the Village. The Village should report this amount as both a receipt and disbursement in order to report activity at the gross distribution level. However, the Village reported the activity as the net distribution level. As a result, General Fund Municipal Income Taxes and General Government disbursements were understated by \$3,151. Street Maintenance Municipal Income Taxes and Transportation disbursements were understated by \$2,659. Street Cemetery Municipal Income Taxes and Transportation disbursements were understated by \$3,324. Debt – Water / Sewer Fund Municipal Income Taxes and General Government disbursements were understated by \$837.
- The Village reported \$22,507 in property tax receipts as Intergovernmental Revenue instead of Property and Other Local Taxes in the Special Revenue Fund.

VILLAGE OF BALTIC  
TUSCARAWAS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2017  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2017-007 (Continued)

**Material Weakness (Continued)**

- The Village received reimbursement of \$20,368 that was recorded as Intergovernmental Revenue rather than reducing Capital Outlay expenditures in the Special Revenue Fund.

Failure to properly report financial activity in accordance with the financial reporting provisions of Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(D) could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the Village's financial position and operations.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures to identify and correct errors and omissions. In addition, the Village should review the financial statements and notes prior to submission for audit.

**Officials' Response:** The Fiscal Officer will be in contact with Brian at Governmental Accounting Solutions with respect to proper posting of line items.

FINDING NUMBER 2017-008

**Material Weakness**

The Utility Department deposits utility receipts in a checking account segregated from the other bank accounts of the Village. The Utility Department then transfers the utility deposits to the Village's general checking account once a month. The last transfer in 2017 was on December 2, 2017. As a result, utility receipts received between December 3rd and December 31st was not reported until the subsequent fiscal year, and the utility receipts on the Village financial statements were understated by \$33,835 in the Enterprise Funds.

These adjustments have been agreed to by management. The financial statements have been adjusted accordingly.

The Utility Department should transfer utility deposits from the Utility Department's segregated checking account to the Fiscal Officer's general checking account at the end of each month. This will help ensure utility receipts collected are reported in the proper period.

**Officials' Response:** The Clerk has been informed that she needed to change this. It has been done, and the Village should have a year-end deposit in December to make the funds correct.

*The Village of Baltic*

102 WEST MAIN STREET  
 BALTIC, OHIO 43804  
 PHONE: (330) 897-4464  
 FAX: (330) 897-1044

**Lana J. Guisinger**  
 Mayor

**Rose Baxter**  
 Fiscal Officer

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
 DECEMBER 31, 2017**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	Ohio Rev. Code § 5705.10(C) requires revenue derived from a special levy fund shall be credited to that fund.	Repeat	I was following what had been done in the past and will try to correct in the future. Will contact Brian at Governmental Accounting Solutions Inc. for help.
2016-002	Ohio Rev. Code § 5705.39 appropriations exceeded total estimated resources.	No Longer Warranting Further Action	This was due to no approval from Council at a meeting.
2016-003	Ohio Rev. Code § 5705.40 reported appropriations and estimated revenue did not always agree to Council approved amounts.	Significantly Different from Prior Year Corrective Action Taken	In 2018 Council will approve all appropriations – any changes with income or expenses.
2016-004	Ohio Rev. Code § 5705.41 (B) expenditures exceeded appropriations.	Repeat	I will review each month to insure it correct.
2016-005	Ohio Rev. Code § 5735.28 the required percent was not posted to the State Highway Fund.	Repeat	No longer receive notices through Bank regarding how this should be posted. Have to learn abbreviations from bank statement.
2016-006	Financial Reporting – material reclasses and adjustments	Repeat	Will be in contact with Brian at Governmental Accounting Solutions Inc. for help on deciding where to post etc.



# Dave Yost • Auditor of State

VILLAGE OF BALTIC

TUSCARAWAS 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 6, 2018