



OHIO AUDITOR OF STATE
KEITH FABER



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Village of Summerfield
Noble County
310 West Cross Street
Summerfield, Ohio 43788

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Village of Summerfield, Noble County, Ohio (the Village), for the years ended December 31, 2018 and 2017.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 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, 2018 and 2017.

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

Current Year Observations

1. We examined the bank reconciliation prepared as of December 31, 2019. It included a four old outstanding checks written over four years ago. In addition, there was a check #7966, in the amount of \$3,132.24, written August 22, 2018 to Ohio Department of Taxation. An ACH withdrawal was made by the Ohio Attorney General's Office for \$3,131.53 on September 5, 2018. The Village posted another check #7985 for the amount \$3,131.53 to cover the ACH withdrawal on September 5, 2018. The Village had posted duplicate payments for the same invoice. Check number #7966 was voided on October 14, 2018. Then on December 16, 2018 check #8021 was written, in the amount of \$3,132.24, to Ohio Department of Taxation for an amount due that was already paid on September 5, 2018. Check #8021 has been carried on the outstanding checklist through December 31, 2019.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The fiscal officer should review check #8021 written December 16, 2018 for \$3,132.24 to see if the ACH withdrawal on September 5, 2018 supported by check #7985 in the cash journal satisfied the obligation for this outstanding check. It appears check #8021 was written in error. The Village is resolving this issue.

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 Village Council reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft.

2. During 2017, gasoline tax, auto registration and permissive tax receipts were recorded to improper funds. The General Fund should be reduced by \$3,508 and the Street Construction, Maintenance and Repair Fund increased by \$2,377, the State Highway Fund Increased by \$193 and the Permissive Motor Vehicle Fund increased by \$938. The Village has made this adjustment.

Current Year Observations (Continued)

3. During 2018, gasoline tax, auto registration and permissive tax receipts were recorded to improper funds. The General Fund should be reduced by \$2,188 and the Street Construction, Maintenance and Repair Fund increased by \$1,593, the State Highway Fund Increased by \$129 and the Permissive Motor Vehicle Fund increased by \$466. The Village has made this adjustment.
4. During 2017, gasoline tax and auto registration fees were not properly allocated between the Street Construction, Maintenance and Repair Fund and the State Highway Fund allocations of 92.5% to Street Construction and Maintenance and 7.5% to State Highway Fund. The Street Construction, Maintenance and Repair Fund should be increased by \$533 and the State Highway Fund should be reduced by \$533.
5. During 2018, gasoline tax and auto registration fees were not properly allocated between the Street Construction, Maintenance and Repair Fund and the State Highway Fund allocations of 92.5% to Street Construction and Maintenance and 7.5% to State Highway Fund. The Street Construction, Maintenance and Repair Fund should be increased by \$2,396 and the State Highway Fund should be reduced by \$2,396.
6. During 2018 and 2017, property tax settlements were posted at net instead of gross.
7. During our review of the state and federal withholding taxes, we observed that \$741 of federal withholding/Medicare taxes and \$81 of state withholding taxes were not remitted in 2018 for employee and employer share of these taxes. We reviewed 2019 and did not observe a payment for these unremitted 2018 payroll taxes. The Village corrected these late payments in September and December of 2019.
8. During our review of Ohio Public Employees Retirement System (OPERS) payments in 2017, we observed that the Village overpaid the OPERS employee/employer share by \$1736. Throughout 2017, the Village sent payments totaling \$1,736 to OPERS but in January 2018, the Village sent a check to OPERS for \$1,856. The Village is resolving this duplicate payment for 2017.
9. During our review of Ohio Public Employees Retirement System (OPERS) payments in 2018, we observed that the Village underpaid the OPERS employee/employer share by \$355. The Village should contact OPERS about the overpayment in 2017 and underpayment in 2018. The Village is resolving this issue.

Current Status of Matters Reported in our Prior Engagement

In addition to the reconciling matters reported in items 1 through 8, our prior audits for the years ended December 31, 2015-2016 and 2014-13 included finding for adjustments of \$7,275 and \$10,051, respectively against the General Fund in favor of the Street Construction, Maintenance and Repair Fund, State Highway Fund and Permissive Vehicle License Tax Fund for improper posting of gasoline tax, cents per gallon tax and permissive vehicle license tax monies to improper funds. The Village corrected these adjustments in March 2020.



Keith Faber
Auditor of State
Columbus, Ohio

March 11, 2020

OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF SUMMERFIELD

NOBLE 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
MARCH 26, 2020**