



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

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 (the Village), for the years ended December 31, 2022 and 2021.

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, 2022 and 2021.

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.

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

Current Year Observations

1. We noted deposits of property taxes, local government and House Bill 49 and auto registration receipts were not made timely during 2021 and 2022. Ohio Rev. Code § 9.38 provides in part, all public monies received shall be deposited with the treasurer of the public office or designated depository on the business day next following the day of receipt, if the total amount of such monies received exceeds \$1,000. If the total amount of public moneys so received does not exceed \$1,000, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions and procedures to safeguard the public monies until they are deposited. The Village should draft, approve, and implement policies and procedures to help ensure timely depositing of public monies.
2. We noted two Council members did not attend public records training for their term ended December 31, 2021. Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1) require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. The Village's elected officials should attend public records training during their term of office.

3. We found the Village did not have a formal records retention schedule. Ohio Rev. Code § 149.43(B)(2) states, in part, a public office shall have available a copy of its current records retention schedule at a location readily available to the public. Ohio Rev. Code § 149.381 states, in part, when a records commission has approved a schedule of records retention, the records commission shall send that schedule of records retention to the Ohio history connection for its review. Upon completion of its review, the Ohio Historical Connection shall forward the schedule of records retention to the auditor of state for the auditor of state's approval or disapproval. The Village should adopt a formal records retention schedule and send it to the Ohio history connection for review.
4. We noted the Village has not adopted a public records policy. Ohio Rev. Code § 149.43(E)(2) provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to Ohio Rev. Code § 149.43(B)(7)(c), the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research. Ohio Rev. Code § 149.43(E)(2) further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook. The Village should establish a public records policy in accordance with the aforementioned Ohio Revised Code Sections.
5. We found the former Fiscal Officer did not complete at least six hours of initial education programs during her first year of office. Ohio Rev. Code § 733.81(C) states a newly elected or appointed fiscal officer shall complete at least six hours of initial education programs before commencing, or during the first year of, office. A fiscal officer who participates in a training program held under section 117.44 of the Revised Code may apply those hours taken before commencing office to the six hours of initial education programs required under this division. The Fiscal Officer should attend the required training.
6. We noted the undivided liquor permit of \$88 was posted to the Street Construction, Maintenance and Repair Fund instead of the General Fund during 2022. Ohio Rev. Code § 4301.30 (D)(1) states thirty-five per cent of the undivided liquor permit fund shall be distributed by the superintendent of liquor control at quarterly calendar periods to each municipal corporation, the aggregate amount shown by the statements to have been collected from permits in the municipal corporation, for the use of the general fund of the municipal corporation. The Street Construction, Maintenance and Repair Fund should be decreased by \$88 and the General Fund should be increased by \$88. The Village has made this adjustment.

7. We noted the Village received Local Fiscal Recovery Funds in 2022. These funds were placed into the General Fund instead of a Special Revenue Fund. Ohio Rev. Code § 5705.09 states each subdivision must establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. Per Version 2021.3 Overview Memo to all UAN users dated July 7, 2021, UAN lists funds 2151 through 2169 as being available for the Coronavirus Relief and American Rescue Plan Act funds for Villages. The Village should establish a Special Revenue Fund to account for the Local Fiscal Recovery Funds.
8. We noted two gasoline excise tax receipts were not allocated properly between the Street Construction, Maintenance and Repair Fund at 92.5% and the State Highway Fund at 7.5% during 2022. Ohio Rev. Code § 5735.28 provides 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 percent of the amount paid to any municipal corporation pursuant to Ohio Rev. Code §§ 4501.04 and 5735.27 shall be paid into the State Highway Fund. The State Highway Fund should be decreased by \$2,127 and the Street Construction, Maintenance and Repair Fund should be increased by \$2,127. The Village has made this adjustment.
9. We noted \$31 in federal taxes withheld and \$376 in Medicare withheld that were not remitted in 2022 for the employee and employer share of these taxes. Section 278, Public Law 97-248, H. R. 4961 states that Medicare should be deducted from employees' compensation for all employees hired after March 31, 1986. Furthermore, employers are liable for reporting and remitting these taxes. 26 U.S.C. § 3402(a)(1) states in general, except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary. 26 U.S.C. § 3403 states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter and shall not be liable to any person for the amount of any such payment. The Village remitted a payment in the amount of \$407 to the Internal Revenue Service in February of 2023.
10. The Village obtained a bank loan in November of 2022, for \$11,221. We noted the Village did not post the note proceeds and the corresponding capital outlay expenditure for this debt to the Village's ledgers. Further, the Village made a debt payment in 2022 and posted the principal and interest payments to Leisure Time Activities instead of Debt Service Principal and Interest. The Village should record all debt proceeds and the corresponding expenditures in the Village's ledgers. Also, the Village should ensure the principal and interest portions of the debt payment are posted to the correct account in the Village's accounting system.



Keith Faber
Auditor of State
Columbus, Ohio

July 7, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SUMMERFIELD

NOBLE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/18/2023

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This report is a matter of public record and is available online at
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