



Dave Yost • Auditor of State



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Village of Ludlow Falls
Miami County
P.O. Box 159
Ludlow Falls, Ohio 45339

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 Ludlow Falls, Miami County, (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. At year-end 2015, the Village's bank account reconciliation documented a balance of \$13,894 for "savings/cd". However, the year-end 2015 savings account bank statement showed a balance of only \$9,237. According to the Village's Fiscal Officer, bank account statements could not be located to support the remaining balance that was composed of a certificate of deposit.

The Village should implement procedures to verify that all records are maintained. Any information on the bank reconciliation should be adequately supported. Failure to retain public records may result in an incomplete audit trail, create potential problems for future management decisions and may result in findings for recovery in future audits.

2. Ohio Rev. Code Section 117.38 states that each public office, other than a state agency, shall file a financial report for each fiscal year. The report shall be filed with the Auditor of State within sixty days after the close of the fiscal year.

The Village filed its annual financial reports with the Auditor of State on September 10, 2015 for fiscal years ending December 31, 2015 and 2014.

The Village should implement policies and procedures to verify its annual financial report is filed on or before sixty days after the close of the fiscal year. If a filing extension is received, the report should be filed by the extension date.

3. 26 USC 3402(a)(1) requires that 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.

Ohio Rev. Code § 5747.06(A) requires that except as provided in division (E)(3) of this section, every employer, including the state and its political subdivisions, maintaining an office or transacting business within this state and making payment of any compensation to an employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a tax computed in such manner as to result, as far as practicable, in withholding from the employee's compensation during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due from the employee under this chapter and Chapter 5748 of the Revised Code with respect to the amount of such compensation included in the employee's adjusted gross income during the calendar year.

The Village withheld federal income tax in the amount of \$1,368, state income tax in the amount of \$197, and FUTA taxes in the amount of \$39 during 2015. These withholdings were due to the taxing agencies in January 2016. The Village completed the remittance forms, however there was no indication that these amounts agreed to actual withholdings and were paid to the taxing agencies.

The Village should contact the taxing agencies and rectify any issues with past due payments. Further the Village should maintain support for the amounts withheld from employees and support of actual payment of remittances to the respective agencies when due. Failure to do so could result in assessment of fines and penalties by the Internal Revenue Service and the Ohio Department of Taxation.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

October 4, 2016



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VILLAGE OF LUDLOW FALLS

MIAMI 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
OCTOBER 18, 2016