

Village of Rarden
Scioto County
Regular Audit
For the Years Ended December 31, 2016 and 2015



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Dave Yost • Auditor of State

Village Council
Village of Rarden
1693 Main St
Rarden, OH 45671

We have reviewed the *Independent Auditor's Report* of the Village of Rarden, Scioto County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Rarden is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

March 21, 2018

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Village of Rarden
Scioto County
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For the Years Ended December 31, 2016 and 2015

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Independent Auditor's Report

Village Council
Village of Rarden
1693 Main Street
Rarden, Ohio 45671

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 Rarden, Scioto County, Ohio (the Village) as of and for the years ended December 31, 2016 and 2015.

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 Section 117.38 and Ohio Administrative Code Section 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 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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.

Village of Rarden
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Independent Auditor's Report

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 Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Additional Opinion Qualification* and *Unmodified Opinion* paragraphs 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, 2016 and 2015, and the respective changes in financial position thereof for the years then ended.

Basis for Additional Opinion Qualification

Charges for services in the general fund is reported as \$1,430 for the year ended December 31, 2016, which is 8 percent of the general funds receipts for the year ended December 31, 2016. Charges for services in the general fund is reported as \$2,575 for the year ended December 31, 2015, which is 15 percent of the general fund receipts for the year ended December 31, 2015. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as charges for services for the general fund for the years ended December 31, 2016 and 2015. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Additional Opinion Qualification

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances of the general fund type of the Village of Rarden, Scioto County, Ohio, as of December 31, 2016 and 2015, and its cash receipts and disbursements, and the related notes for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the special revenue funds of the Village of Rarden, Scioto County, Ohio, as of December 31, 2016 and 2015, and its combined cash receipts and disbursements, and the related notes, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Village of Rarden
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Independent Auditor's Report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 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 the effectiveness of the Village's 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.



Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

January 26, 2018

Village of Rarden
Scioto County
Combined Statement of Receipts, Disbursements and
Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Property and Other Local Taxes	\$8,097	\$11,015	\$19,112
Intergovernmental	5,281	7,028	12,309
Charges for Services	1,430	86,473	87,903
Earnings on Investments	325	8	333
Miscellaneous	3,828	0	3,828
Total Cash Receipts	18,961	104,524	123,485
Cash Disbursements:			
Security of Persons and Property	0	53,604	53,604
Transportation	0	2,607	2,607
General Government	19,871	0	19,871
Capital Outlay	0	421	421
Debt Service:			
Redemption of Principal	0	2,280	2,280
Total Cash Disbursements	19,871	58,912	78,783
Net Change in Fund Cash Balances	(910)	45,612	44,702
Fund Cash Balances, January 1	1,924	68,952	70,876
Restricted			
Recreation Programs	0	329	329
Emergency Medical Services	0	48,319	48,319
Fire Operations	0	53,976	53,976
Road Maintenance and Improvements	0	14,088	14,088
Unassigned (Deficit)	1,014	(2,148)	(1,134)
Fund Cash Balances, December 31	\$1,014	\$114,564	\$115,578

The notes to the financial statements are an integral part of this statement.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - Reporting Entity

The Village of Rarden (the Village), Scioto County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides road and bridge maintenance and security of person and property services which include fire protection and ambulance services.

The Village has been declared in fiscal caution by the Auditor of State's office on October 17, 2013 under Section 118.025(A) of the Ohio Revised Code. The Village's management has prepared and submitted an acceptable plan to the Auditor of State and is working to implement changes as submitted.

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity. This organization is:

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 Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 Funds:

Volunteer Fire Fund This fund receives fire contract and levy monies for the operation of the volunteer fire department.

Ambulance Fund This fund receives ambulance contract and levy monies for the operation of the volunteer ambulance service.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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 Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. The Village did not use the encumbrance method of accounting.

A summary of 2016 budgetary activity appears in Note 4.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Fund Balance

Fund balance is divided into five 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:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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.

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.

Note 3 - Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fire and Street funds by \$26,001 and \$1,579, respectively for the year ended December 31, 2016.

The Village did not properly certify the availability of funds through an encumbrance process, which is contrary to Ohio Revised Code Section 5705.41 (D).

The Village did not reconcile its bank accounts, which is contrary to Ohio Revised Code Section 117-2-01(D)(3) and (5).

The Council did not properly monitor financial activity of the Village, which is contrary to Ohio Revised Code Section 117-2-01(D)(4).

The Village did not properly maintain supporting documentation for various financial transactions, contrary to Ohio Revised Code Section 149.351(A).

The Village did not properly maintain accounting records, which is contrary to Ohio Revised Code Section 733.28.

The Village had appropriations in excess of estimated resources, which is contrary to Ohio Revised Code Section 5705.39.

The Village did not deposit receipts in a timely manner, which is contrary to Ohio Revised Code Section 9.38.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 4 - Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$18,837	\$18,961	\$124
Special Revenue	45,040	104,524	59,484
Total	\$63,877	\$123,485	\$59,608

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$21,837	\$19,871	\$1,966
Special Revenue	53,270	58,912	(5,642)
Total	\$75,107	\$78,783	(\$3,676)

Note 5 – 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 at December 31 was as follows:

	2016
Demand deposits	\$115,578

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Note 6 – Taxes

Property Taxes

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.

Public utilities are also taxed on personal and real property located within the Village.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2016

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

Note 7 - Risk Management

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.

	<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.

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 8 - Defined Benefit Pension Plans

Social Security

All of the Village's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

Note 9 – Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal
Promissory Note - Fire	\$8,550

The Village borrowed \$11,400 during 2015 to help purchase a new fire truck. The loan will be repaid in quarterly payments of \$570. The fire truck is collateral for the loan.

Amortization

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	Prommissory Note - Fire
2017	\$2,280
2018	2,280
2019	2,280
2020	1,710
Total	\$8,550

Note 10 – Contingent Liabilities

Grants

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Litigation

The Village is not currently party to any legal proceedings.

Village of Rarden
Scioto County
Combined Statement of Receipts, Disbursements and
Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2015

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Property and Other Local Taxes	\$7,417	\$10,200	\$17,617
Intergovernmental	3,496	7,063	10,559
Charges for Services	2,575	105,825	108,400
Earnings on Investments	180	29	209
Miscellaneous	3,957	2,762	6,719
Total Cash Receipts	17,625	125,879	143,504
Cash Disbursements:			
Security of Persons and Property	1,370	63,151	64,521
Leisure Time Activities	1,010	0	1,010
Transportation	0	7,548	7,548
General Government	15,229	0	15,229
Capital Outlay	0	11,856	11,856
Debt Service:			
Redemption of Principal	0	19,830	19,830
Interest and Other Fiscal Charges	0	668	668
Total Cash Disbursements	17,609	103,053	120,662
Net Change in Fund Cash Balances	16	22,826	22,842
Other Financing Sources:			
Proceeds from Debt	0	11,400	11,400
Total Other Financing Sources	0	11,400	11,400
Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements	16	34,226	34,242
Fund Cash Balances, January 1 - restated	1,908	34,726	36,634
Restricted			
Recreation Programs	0	200	200
Emergency Medical Services	0	19,678	19,678
Fire Operations	0	40,648	40,648
Road Maintenance and Improvements	0	11,005	11,005
Unassigned (Deficit)	1,924	(2,579)	(655)
Fund Cash Balances, December 31	\$1,924	\$68,952	\$70,876

The notes to the financial statements are an integral part of this statement.

Village of Rarden
Scioto County
Notes to the Financial Statements
December 31, 2015

1. Reporting Entity

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Rarden, Scioto County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides road and bridge maintenance and security of persons and property services which include fire protection and ambulance services.

The Village has been declared in fiscal caution by the Auditor of State's office on October 17, 2013 under Section 118.02(A) of the Ohio Revised Code. The Village's management has prepared and submitted an acceptable plan to the Auditor of State and is working to implement changes as submitted.

The Village participates in a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is:

Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (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 Village's management believes these financial statements present all activities for which the Village is financially accountable.

2. Summary of Significant Accounting Policies

Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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 Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Deposits and Investments

The Village has two demand deposit accounts and no investments.

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:

Village of Rarden
Scioto County
Notes to the Financial Statements
December 31, 2015

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 and 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 Special Revenue Funds:

Volunteer Fire Fund - This fund receives fire contract and levy monies for the operation of the volunteer fire department.

Ambulance Fund – This fund receives ambulance contract and levy monies for the operation of the volunteer ambulance service.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (is, function or object, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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. The Village did not use the encumbrance method of accounting.

A summary of 2015 budgetary activity appears in Note 4.

Fund Balance

Fund balance is divided into five 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 Rarden
Scioto County
Notes to the Financial Statements
December 31, 2015

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. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. 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.

5. 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.

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.

3. Equity in Pooled Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2015
Demand deposits	<u>\$70,876</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

Village of Rarden
Scioto County
Notes to the Financial Statements
December 31, 2015

4. Budgetary Activity

Budgetary activity for the years ending December 31, 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$15,100	\$17,625	\$2,525
Special Revenue	95,130	137,279	42,149
Total	\$110,230	\$154,904	\$44,674

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$17,371	\$17,609	(\$238)
Special Revenue	127,888	103,053	24,835
Total	\$145,259	\$120,662	\$24,597

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.

Public utilities are also taxed on personal and real property located within the Village.

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

6. Debt

Debt outstanding at December 31, 2015 was as follows:

	Principal
Promissory Note - Fire	\$10,830

The Village borrowed \$11,400 during 2015 to help purchase a new fire truck. The loan will be repaid in quarterly payments of \$570. The fire truck is collateral for the loan.

During 2015, the Village repaid the 2010 Ambulance loan.

Village of Rarden
Scioto County
Notes to the Financial Statements
December 31, 2015

Amortization of the above note is scheduled as follows:

Year ending December 31:	Prommisory Note - Fire
2016	\$2,280
2017	2,280
2018	2,280
2019	2,280
2020	1,710
Total	\$10,830

7. Retirement Systems

Village's elected officials and employees elected not to participate in PERS. Instead, all elected officials and employees have Social Security withholdings.

8. Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (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. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, 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. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 members as of December 31, 2015.

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, 2015.

Village of Rarden
Scioto County
Notes to the Financial Statements
December 31, 2015

	2015
Assets	<u>\$14,643,667</u>
Liabilities	<u>(9,112,030)</u>
Members' Equity	<u>\$5,531,637</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

9. Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Litigation

The Village is not currently party to any legal proceedings.

10. Compliance

The Village had expenditures in excess of appropriations, which is contrary to Ohio Revised Code Section 5705.41(B).

The Village did not properly certify the availability of funds through an encumbrance process, which is contrary to Ohio Revised Code Section 5705.41 (D).

The Village did not reconcile its bank accounts, which is contrary to Ohio Revised Code Section 117-2-01(D)(3) and (5).

The Council did not properly monitor financial activity of the Village, which is contrary to Ohio Revised Code Section 117-2-01(D)(4).

The Village did not properly maintain supporting documentation for various financial transactions, contrary to Ohio Revised Code Section 149.351(A).

The Village did not properly maintain accounting records, which is contrary to Ohio Revised Code Section 733.28.

The Village had appropriations in excess of estimated resources, which is contrary to Ohio Revised Code Section 5705.39.

The Village did not deposit receipts timely, which is contrary to Ohio Revised Code Section 9.38.

Village of Rarden
Scioto County
Notes to the Financial Statements
December 31, 2015

11. Restatement

Errors were identified in previously reported fund balances. Correction of these errors had the following effect on beginning net assets:

General Fund Balance, January 1, 2015	\$1,821
Corrections	<u>87</u>
General Fund Balance, As Corrected, January 1, 2015	<u>\$1,908</u>
Special Revenue Funds Balance, January 1, 2015	\$34,813
Corrections	<u>(87)</u>
Special Revenue Funds Balance, As Corrected, January 1, 2015	<u>\$34,726</u>

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Village Council
Village of Rarden
1693 Main Street
Rarden, Ohio 45671

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Village of Rarden, Scioto County, Ohio (the Village) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated January 26, 2018, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also qualified our opinion due to the lack of sufficient appropriate audit evidence supporting the amounts recorded as charges for services reported in general fund for the years ended December 31, 2016 and 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2016-002 through 2016-010, that we consider to be material weaknesses.

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Village of Rarden
Scioto County

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2016-001 through 2016-003, 2016-005 through 2016-007, 2016-009 and 2016-011.

Village's Responses to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Village's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

January 26, 2018

Village of Rarden
Scioto County
Schedule of Findings and Responses
For the Years Ended December 31, 2016 and 2015

Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

Finding 2016-001 – Noncompliance – Proper Encumbering

Ohio Revised Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditures of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expenses. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Fiscal Officer did not certify the availability of funds prior to purchase commitment for any expenditures during 2016 and 2015. There was no evidence the Village followed the aforementioned exceptions. The Village did not have sufficient internal controls in place to ensure the certification of the availability of funds. Failure to certify the availability of funds properly can result in overspending funds and negative cash fund balances. This also resulted in unrecorded encumbrances for 2016 and 2015. However, due to lack of supporting documentation we were unable to determine a dollar amount.

Unless the Village uses the exceptions noted above, prior certification is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are, or will be, available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used. In addition, the budgetary presentation should include outstanding encumbrances at year end.

Village of Rarden
Scioto County
Schedule of Findings and Responses
For the Years Ended December 31, 2016 and 2015

Finding 2016-001 – Noncompliance – Proper Encumbering (Continued)

The Village officials and employees should obtain the Fiscal Officer’s certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certification language Ohio Revised Code Section 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of Ohio Revised Code Section 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase orders to the proper appropriation code to reduce the available appropriation.

Client Response:

The Village choose not to respond.

Finding 2016-002 – Noncompliance/Material Weakness – Expenditures in Excess of Appropriations

Ohio Revised Code Section 5705.41(B) provides that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated. The Village had various funds in 2016 and 2015 where expenditures exceeded appropriations. Expenditures exceeding appropriations can result in overspending available resources and deficit fund balances. The Village should implement procedures, such as periodic reviews of budget to actual activity, to ensure that expenditures are limited to appropriations.

Client Response:

The Village choose not to respond.

Finding 2016-003 – Noncompliance/Material Weakness – Bank Reconciliations

Ohio Administrative Code Section 117-2-01(D)(3) and (5) state that when designing the public office’s system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The previous fiscal officer prepared bank reconciliations for the operating account until March 2016. These were submitted to the Village Council for review and approval, however, we noted many reconciliations contained errors. Subsequent to her departure the Village’s outside consultant kept monthly records, but these were not submitted to Council for review or approval. We also noted the EMS account was not reconciled during the audit period.

The Fiscal Officer should perform monthly reconciliations in a timely manner so that reconciling items can be easily identified and corrections, if necessary, can be made in a timely manner. These reconciliations should be reviewed and approved by the Village Council.

Client Response:

The Village choose not to respond.

Village of Rarden
Scioto County
Schedule of Findings and Responses
For the Years Ended December 31, 2016 and 2015

Finding 2016-004 – Material Weakness – Sound Financial Reporting

Sound financial reporting is the responsibility of the Fiscal Officer and the Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. As a result of the audit procedures performed, we noted various errors in the financial statements that required audit adjustment or reclassification and it was noted that the debt disclosure was missing from the 2016 note disclosures. The Village should implement procedures to ensure that all financial transactions are properly recorded within the accounting system to ensure that financial statements can be properly presented to Council for planning and decision-making purposes and to external sources to ensure that an accurate and complete presentation of the Village's finances can be provided. The Village should also review the Village Handbook for guidance on the correct line item to post various receipts and expenditures of the Village.

Client Response:

The Village choose not to respond.

Finding 2016-005 – Noncompliance/Material Weakness – Monitoring by Council

Ohio Administrative Code Section 117-2-01(D)(4) states that when designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls.

The size of the Village's staff did not allow for an adequate segregation of duties; the Fiscal Officer performed all accounting functions, including receipting, depositing, disbursing, and reconciling. It is therefore important that the Council monitor financial activity closely.

The Council did not receive or review financial reports or budgets. During 2016 and 2015, the Fiscal Officer did not maintain a receipt or appropriation ledger. Vouchers were not prepared or presented to Council prior to payment. Therefore, there were no records provided to the Council to provide any reliance that internal controls were in place. Bank reconciliations for the main account were prepared and signed by Council for most months up until March 2016, thereafter they were performed by LGS and not given to Council for review. Further, no processes exist to identify unusual fluctuations between accounts or between fiscal years. Estimated resources and appropriations were not recorded in the manual ledger accounting system for both 2015 and 2016. This prevented accurate monitoring by the Village Council.

The Fiscal Officer should maintain record of budget and actual information in a format easily reviewable by the Council. Further, the Council should review detailed financial reports, budget versus actual information, and bank reconciliations on a monthly basis. This should be documented in the minute record and/or initialed and dated as reviewed. The Council should also make appropriate inquiries to help determine the continued integrity of financial information. Appropriate inquiries would include:

- Are current receipts sufficient to cover expenditures?
- Are receipts and expenditures in line with prior years?
- If unusual fluctuations in receipts or expenditures occur, is the reason understood?
- Are anticipated receipts being received in a timely manner?

The information obtained as a result of such reviews and inquires will provide important data necessary to properly manage the Village.

Client Response:

The Village choose not to respond.

Village of Rarden
Scioto County
Schedule of Findings and Responses
For the Years Ended December 31, 2016 and 2015

Finding 2016-006 – Noncompliance/Material Weakness – Supporting Documentation

Ohio Revised Code Section 149.351(A) states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Section 149.38 to 149.42 of the Revised Code or under the records programs established by the boards of trustees of state-supported institutions of higher education under Section 149.33 of the Revised Code. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred, or destroyed unlawfully.

During testing, we noted that the Village did not maintain original supporting documentation for several expenditures. We were unable to agree several receipts to supporting documentation, with charges for services in the general fund lacking the most substantiation.

The Village should implement procedures to ensure all records are properly maintained for audit purposes, to support properly recording within the accounting system, and to demonstrate proper public purpose. Furthermore, no disbursements should be made unless supporting documentation is available.

Client Response:

The Village choose not to respond.

Finding 2016-007 – Noncompliance/Material Weakness – Accounting Records

Ohio Revised Code Section 733.28 requires the fiscal officer to maintain the books of the Village and exhibit accurate statements of all monies received and expended.

Ohio Administrative Code Section 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Per Ohio Administrative Code Section 117-2-02(D), accounting records that can help achieve these objectives include:

1. Cash journal, which typically includes the amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
2. Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of payor, purpose, receipt number, and other information required for such transactions to be recorded on this ledger.
3. Appropriation ledger, which assembles and classifies disbursements into separate accounts, for at a minimum, each account listed in the appropriation resolution. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, and any other information required may be entered in the appropriate columns.

Using these accounting records will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

The Fiscal Officer did not maintain the cash journal, appropriation ledger or receipt ledger during 2016 and 2015. The Village had to procure the services of the Auditor of State's Local Government Services to reconstruct records and prepare financial statements for audit.

Village of Rarden
Scioto County
Schedule of Findings and Responses
For the Years Ended December 31, 2016 and 2015

Finding 2016-007 – Noncompliance/Material Weakness – Accounting Records (Continued)

The Fiscal Officer should properly maintain the accounting records and reconcile the cash journal to the bank balances and to the receipts ledger and appropriation ledger monthly.

Client Response:

The Village choose not to respond.

Finding 2016-008 – Material Weakness – Monitoring of Ambulance Billing Service Provider

The Village provided ambulance services for the Village and Township throughout the audit period. The Village entered into an agreement with Medi Count, for third-party administration of medical claims during 2012. At this time they also changed the procedures for submission of run sheets and appointed a liaison within the department to work with Medi Count.

We were able to obtain a confirmation from Medi Count of the monies that were paid to the Village for both 2016 and 2015; however the Village was not able to provide run sheets for audit nor were they able to determine if Medi Count was correctly billing for services. The Village Council should request reports documenting information such as, the number of ambulance runs, the number of run sheets submitted, and revenue from medical claims on a monthly basis to assure run sheets are being submitted and processed in a timely manner. Further, the Village should have procedures in place to ensure that Medi Count is properly billing for runs.

Client Response:

The Village choose not to respond.

Finding 2016-009 – Noncompliance/Material Weakness – Timely Deposits

Ohio Revised Code Section 9.38 states that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the first business day following the date of receipt.

During 2016 and 2015, it was noted that rental receipts were not deposited in a timely manner. It was also noted that money was sent to the Village from the State of Ohio that was never posted to the system or deposited into the bank. The Village should develop and implement policies and procedures that would provide for the deposit of monies received in a timely manner. Further, the Village should take steps to develop safeguards over these receipts prior to deposit, including, but not limited to, placement in a safe, vault, locked cabinet, or another secure and restricted area.

Client Response:

The Village choose not to respond.

Village of Rarden
Scioto County
Schedule of Findings and Responses
For the Years Ended December 31, 2016 and 2015

Finding 2016-010 – Material Weakness – Budgetary Amounts

A budgetary cycle should be in place for all governments. The budgetary process is a plan to coordinate expenditures and resources. The State Legislature has adopted laws to control expenditures using tax budgets and appropriations. Budgeting, when properly used, provides the most important monitoring control a government has. It is impossible to incur a cash deficit if a government complies with the budgetary law. Additionally, the budget is an instrument of public policy. A governing board expresses its desire for using a government’s limited resources through its appropriations.

While performing budgetary cycle testing for the Village, it was determined that the Village does not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Council, were approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts, or were posted to the accounting system.

The Council should implement procedures to ensure appropriations and estimated receipts are approved, accurately posted to the accounting system, and reconciled to the amounts approved by the budget commission after each amendment.

Client Response:

The Village choose not to respond.

Finding 2016-011 – Noncompliance – Appropriation in Excess of Estimated Resources

Ohio Revised Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. In 2016 and 2015, the Village had appropriations in excess of estimated resources in various funds. The Village should implement procedures, such as periodic review of budgeted information, to ensure that appropriations do not exceed estimated resources.

Client Response:

The Village choose not to respond.

Village of Rarden
Scioto County
Schedule of Prior Audit Findings
For the Years Ended December 31, 2016 and 2015

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2014-001	Noncompliance/Material Weakness – Annual Financial Report	Yes	
2014-002	Noncompliance – Proper Encumbering	No	Reissued as 2016-001
2014-003	Noncompliance/Material Weakness – Expenditures in Excess of Appropriations	No	Reissued as 2016-002
2014-004	Noncompliance – Negative Fund Balances	No	Reissued in management letter
2014-005	Noncompliance/Material Weakness – Bank Reconciliations	No	Reissued as 2016-003
2014-006	Material Weakness – Sound Financial Reporting	No	Reissued as 2016-004
2014-007	Noncompliance/Material Weakness – Monitoring by Council	No	Reissued as 2016-005
2014-008	Noncompliance/Material Weakness – Supporting Documentation	No	Reissued as 2016-006
2014-009	Noncompliance/Material Weakness – Accounting Records	No	Reissued as 2016-007
2014-010	Material Weakness – Monitoring of Ambulance Billing Service Provider	No	Reissued as 2016-008
2014-011	Material Weakness – Timely Deposits	No	Reissued as 2016-009
2014-012	Material Weakness – Budgetary Amounts	No	Reissued as 2016-010
2014-013	Noncompliance – Appropriation in Excess of Estimated Resources	No	Reissued as 2016-011

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Dave Yost • Auditor of State

VILLAGE OF RARDEN

SCIOTO 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
APRIL 3, 2018