



**VILLAGE OF SHREVE
WAYNE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2018-2017

VILLAGE OF SHREVE
WAYNE COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Shreve
Wayne County
150 West McConkey Street
PO Box 604
Shreve, Ohio

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 Shreve, Wayne County, Ohio (the Village) as of and for the years ended December 31, 2018 and 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 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 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 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.

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 *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, 2018 and 2017, and the respective changes in financial position or cash flows thereof for the years 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 Shreve, Wayne County, as of December 31, 2018 and 2017, 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 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2019, 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.



Keith Faber
Auditor of State

Columbus, Ohio

May 9, 2019

Village of Shreve, Ohio

Wayne County

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2018

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 44,603	\$ -	\$ 44,603
Municipal Income Tax	268,538	-	268,538
Intergovernmental	38,720	63,539	102,259
Special Assessments	8,984	-	8,984
Charges for Services	420	-	420
Fines, Licenses and Permits	5,954	3,549	9,503
Miscellaneous	10,826	179	11,005
<i>Total Cash Receipts</i>	<u>378,045</u>	<u>67,267</u>	<u>445,312</u>
Cash Disbursements			
Current:			
Security of Persons and Property	218,837	-	218,837
Public Health Services	4,072	-	4,072
Transportation	480	23,810	24,290
General Government	79,253	-	79,253
Capital Outlay	-	999	999
<i>Total Cash Disbursements</i>	<u>302,642</u>	<u>24,809</u>	<u>327,451</u>
<i>Excess of Receipts Over Disbursements</i>	<u>75,403</u>	<u>42,458</u>	<u>117,861</u>
Other Financing Receipts / (Disbursements)			
Transfers In	-	3,333	3,333
Transfers Out	(3,333)	-	(3,333)
Other Financing Sources	1,488	-	1,488
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,845)</u>	<u>3,333</u>	<u>1,488</u>
<i>Net Change in Fund Cash Balances</i>	73,558	45,791	119,349
<i>Fund Cash Balances, January 1</i>	<u>52,275</u>	<u>100,918</u>	<u>153,193</u>
Fund Cash Balances, December 31			
Restricted	-	146,709	146,709
Unassigned	125,833	-	125,833
<i>Fund Cash Balances, December 31</i>	<u>\$ 125,833</u>	<u>\$ 146,709</u>	<u>\$ 272,542</u>

See accompanying notes to the financial statements

Village of Shreve, Ohio

Wayne County

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Proprietary and Fiduciary Fund Types

For the Year Ended December 31, 2018

	Proprietary Fund Type		Fiduciary Fund Type	Totals
	Enterprise		Agency	(Memorandum Only)
Operating Cash Receipts				
Charges for Services	\$ 614,769	\$ -	\$ -	\$ 614,769
Miscellaneous	7,181	-	-	7,181
<i>Total Operating Cash Receipts</i>	<u>621,950</u>	<u>-</u>	<u>-</u>	<u>621,950</u>
Operating Cash Disbursements				
Personal Services	187,463	-	-	187,463
Transportation	118	-	-	118
Contractual Services	211,473	-	-	211,473
Supplies and Materials	39,596	-	-	39,596
<i>Total Operating Cash Disbursements</i>	<u>438,650</u>	<u>-</u>	<u>-</u>	<u>438,650</u>
<i>Operating Income</i>	<u>183,300</u>	<u>-</u>	<u>-</u>	<u>183,300</u>
Non-Operating Receipts (Disbursements)				
Principal Retirement	(10,842)	-	-	(10,842)
Other Financing Sources	3,150	7,712	-	10,862
Other Financing Uses	(1,516)	(7,753)	-	(9,269)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(9,208)</u>	<u>(41)</u>	<u>-</u>	<u>(9,249)</u>
<i>Net Change in Fund Cash Balances</i>	<u>174,092</u>	<u>(41)</u>	<u>-</u>	<u>174,051</u>
<i>Fund Cash Balances, January 1</i>	<u>640,468</u>	<u>299</u>	<u>-</u>	<u>640,767</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 814,560</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ 814,818</u>

See accompanying notes to the financial statements

**VILLAGE OF SHREVE
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 Shreve, Wayne 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, and police services. The Village contracts with the Wayne County Sheriff's department to provide security of persons and property. Clinton Township Trustees provide fire protection services for all of Clinton Township; the Village of Shreve is located in Clinton Township.

The Village participates in the Ohio Plan Risk Management, Inc., a public entity risk pool. Note 9 to the financial statements provides additional information for the entity.

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 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.

C. Deposits

The Village had no investments.

D. Fund Accounting

The Village uses fund accounting to segregate cash that is 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.

**VILLAGE OF SHREVE
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

3. 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.

4. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village had no trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following agency fund:

Mayor's Court Fund – This fund receives fines and fees for Mayor's Court. Receipts are used to cover the court costs and computer fees.

E. Budgetary Process

The Ohio Revised Code requires that each fund (with the exception of Agency funds) be budgeted annually.

1. 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.

VILLAGE OF SHREVE
WAYNE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

F. 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.

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.

**VILLAGE OF SHREVE
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

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.

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.

2. 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:

	2018
Demand deposits	\$1,087,360

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	452,724	379,533	(\$73,191)
Special Revenue	183,200	70,600	(112,600)
Enterprise	518,000	625,100	107,100
Total	\$1,290,924	\$1,082,945	(\$207,979)

**VILLAGE OF SHREVE
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)**

3. Budgetary Activity (Continued)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$404,163	\$305,975	\$98,188
Special Revenue	237,200	24,809	212,391
Enterprise	747,200	451,008	296,192
Total	\$1,527,563	\$789,688	\$737,875

4. 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.

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1% 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.

6. DEBT

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
OPWC CP43P	\$ 121,053	0%
OPWC CT44Q	\$ 150,000	0%
Total	\$ 271,053	

**VILLAGE OF SHREVE
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)**

6. DEBT (Continued)

The OPWC loans, Phase I and II, were issued for South Street improvements on July 1, 2013 for \$145,264 and \$180,000, respectively, both with 0% interest and maturing January 1, 2044.

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

Year ending December 31:	OPWC Loan CP43P	OPWC Loan CT44Q
2019	\$2,421	\$3,000
2020	4,842	6,000
2021	4,842	6,000
2022	4,842	6,000
2023	4,842	6,000
2024-2028	24,210	30,000
2029-2033	24,210	30,000
2034-2038	24,210	30,000
2039-2043	24,213	30,000
2044	2,421	3,000
Total	\$121,053	\$150,000

7. RETIREMENT SYSTEMS

Ohio Public Employees Retirement System

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 2018, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Ohio Police and Fire Retirement System

The Village's certified full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.

8. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

**VILLAGE OF SHREVE
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)**

8. POSTEMPLOYMENT BENEFITS (Continued)

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

9. RISK MANAGEMENT

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. 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. Effective November 1, 2017, the OPRM retained 47% 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 764 members as of December 31, 2017 (latest information available).

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, 2017 (the latest available).

Assets	\$14,853,620
Liabilities	<u>(9,561,108)</u>
Members' Equity	<u>\$ 5,292,512</u>

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

10. HEALTH INSURANCE

The Village provides health insurance to all employees through Wayne County (County). The Village is invoiced their monthly premiums and the premiums are paid to the County. All risk transfers to the County.

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Village of Shreve, Ohio
Wayne 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	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 42,857	\$ -	\$ 42,857
Municipal Income Tax	259,889	-	259,889
Intergovernmental	32,521	110,737	143,258
Special Assessments	8,813	-	8,813
Charges for Services	310	-	310
Fines, Licenses and Permits	7,248	3,494	10,742
Miscellaneous	11,683	2,604	14,287
<i>Total Cash Receipts</i>	<u>363,321</u>	<u>116,835</u>	<u>480,156</u>
Cash Disbursements			
Current:			
Security of Persons and Property	219,419	-	219,419
Public Health Services	4,094	-	4,094
Leisure Time Activities	17	-	17
Transportation	214	27,155	27,369
General Government	89,121	-	89,121
Capital Outlay	9,480	49,252	58,732
Debt Service:			
Principal Retirement	11,855	-	11,855
Interest and Fiscal Charges	338	-	338
<i>Total Cash Disbursements</i>	<u>334,538</u>	<u>76,407</u>	<u>410,945</u>
<i>Excess of Receipts Over Disbursements</i>	<u>28,783</u>	<u>40,428</u>	<u>69,211</u>
Other Financing (Disbursements)			
Other Financing Uses	(180)	-	(180)
<i>Net Change in Fund Cash Balances</i>	28,603	40,428	69,031
<i>Fund Cash Balances, January 1</i>	<u>23,672</u>	<u>60,490</u>	<u>84,162</u>
Fund Cash Balances, December 31			
Restricted	-	104,642	104,642
Unassigned (Deficit)	52,275	(3,724)	48,551
<i>Fund Cash Balances, December 31</i>	<u>\$ 52,275</u>	<u>\$ 100,918</u>	<u>\$ 153,193</u>

See accompanying notes to the financial statements

Village of Shreve, Ohio

Wayne County

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Proprietary and Fiduciary Fund Types

For the Year Ended December 31, 2017

	Proprietary Fund Type		Fiduciary Fund Type	Totals
	Enterprise		Agency	(Memorandum Only)
Operating Cash Receipts				
Charges for Services	\$ 595,399	\$ -	\$ -	\$ 595,399
Miscellaneous	14,894	-	-	14,894
<i>Total Operating Cash Receipts</i>	<u>610,293</u>	<u>-</u>	<u>-</u>	<u>610,293</u>
Operating Cash Disbursements				
Personal Services	169,175	-	-	169,175
Contractual Services	225,697	-	-	225,697
Supplies and Materials	33,822	-	-	33,822
<i>Total Operating Cash Disbursements</i>	<u>428,694</u>	<u>-</u>	<u>-</u>	<u>428,694</u>
<i>Operating Income</i>	<u>181,599</u>	<u>-</u>	<u>-</u>	<u>181,599</u>
Non-Operating Receipts (Disbursements)				
Principal Retirement	(10,842)	-	-	(10,842)
Other Financing Sources	1,800	9,143	-	10,943
Other Financing Uses	(1,216)	(9,943)	-	(11,159)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(10,258)</u>	<u>(800)</u>	<u>-</u>	<u>(11,058)</u>
<i>Net Change in Fund Cash Balances</i>	171,341	(800)	-	170,541
<i>Fund Cash Balances, January 1</i>	<u>469,127</u>	<u>1,099</u>	<u>-</u>	<u>470,226</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 640,468</u>	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ 640,767</u>

See accompanying notes to the financial statements

**VILLAGE OF SHREVE
WAYNE 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 Shreve, Wayne 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, and police services. The Village contracts with the Wayne County Sheriff's department to provide security of persons and property. Clinton Township Trustees provide fire protection services for all of Clinton Township; the Village of Shreve is located in Clinton Township.

The Village participates in the Ohio Plan Risk Management, Inc., a public entity risk pool. Note 9 to the financial statements provides additional information for the entity.

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 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.

C. Deposits

The Village had no investments.

D. Fund Accounting

The Village uses fund accounting to segregate cash that is 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.

**VILLAGE OF SHREVE
WAYNE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

3. 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.

4. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village had no trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following agency fund:

Mayor's Court Fund – This fund receives fines and fees for Mayor's Court. Receipts are used to cover the court costs and computer fees.

E. Budgetary Process

The Ohio Revised Code requires that each fund (with the exception of Agency funds) be budgeted annually.

1. 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.

VILLAGE OF SHREVE
WAYNE COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2017 budgetary activity appears in Note 3.

F. 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.

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.

VILLAGE OF SHREVE
WAYNE COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

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.

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.

2. 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:

	2017
Demand deposits	<u>\$793,961</u>

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

**VILLAGE OF SHREVE
WAYNE COUNTY**

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

3. Budgetary Activity

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

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	395,938	363,321	(\$32,617)
Special Revenue	56,200	116,835	60,635
Enterprise	536,000	612,094	76,094
Total	\$1,125,138	\$1,099,962	(\$25,176)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$386,564	\$334,718	\$51,846
Special Revenue	105,560	76,407	29,153
Enterprise	594,300	440,752	153,548
Total	\$1,225,424	\$859,773	\$365,651

4. 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.

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1% 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 SHREVE
WAYNE COUNTY**

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

6. DEBT

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
OPWC CP43P	\$ 125,895	0%
OPWC CT44Q	\$ 156,000	0%
Total	\$ 281,895	

The OPWC loans, Phase I and II, were issued for South Street improvements on July 1, 2013 for \$145,264 and \$180,000, respectively, both with 0% interest and maturing January 1, 2044.

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

Year ending December 31:	OPWC Loan CP43P	OPWC Loan CT44Q
2018	\$2,421	\$3,000
2019	4,842	6,000
2020	4,842	6,000
2021	4,842	6,000
2022	4,842	6,000
2023-2027	24,210	30,000
2028-2032	24,210	30,000
2033-2037	24,210	30,000
2038-2042	24,210	30,000
2043-2044	7,266	9,000
Total	\$125,895	\$156,000

7. RETIREMENT SYSTEMS

Ohio Public Employees Retirement System

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%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

Ohio Police and Fire Retirement System

The Village's certified full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2017.

**VILLAGE OF SHREVE
WAYNE COUNTY**

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

8. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

9. RISK MANAGEMENT

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. 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. Effective November 1, 2017, the OPRM retained 47% 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 764 members as of December 31, 2017.

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.

VILLAGE OF SHREVE
WAYNE COUNTY

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

9. RISK MANAGEMENT (Continued)

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2017.

Assets	\$14,853,620
Liabilities	<u>(9,561,108)</u>
Members' Equity	<u>\$ 5,292,512</u>

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

10. HEALTH INSURANCE

The Village provides health insurance to all employees through Wayne County (County). The Village is invoiced their monthly premiums and the premiums are paid to the County. All risk transfers to the County.

OHIO AUDITOR OF STATE KEITH FABER



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

Village of Shreve
Wayne County
150 West McConkey Street
PO Box 604
Shreve, OH 44676

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 Shreve, Wayne County, (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 9, 2019, 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.

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.

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 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. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2018-001 through 2018-003 to be material weaknesses.

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 2018-002 and 2018-003.

Village's Response 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 report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

May 9, 2019

VILLAGE OF SHREVE
WAYNE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017

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

FINDING NUMBER 2018-001

Financial Statement Presentation – 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.

The Village did not always accurately post receipts and disbursements to the Village's accounting system and financial statements. Mispostings identified included, but were not limited to, the following:

- In 2018 and 2017, the Village presented a capital projects fund which should have been presented as a Special Revenue Fund. The fund had no activity in 2018 and 2017, and had a beginning and ending fund balance of \$287 for each year.
- In 2018 and 2017, the Village recorded debt principal payments of \$10,842 each year as capital outlay in the Enterprise Funds.
- In 2017, the Village recorded debt principal and interest payments of \$11,855 and \$338, respectively, as capital outlay in the General Fund.
- In 2017, the Village recorded intergovernmental revenue of \$46,460 as fines, licenses, and permits in the Motor Vehicle License Tax Fund.

These amounts were adjusted to the Village's financial statements.

Not posting receipts and disbursements accurately to the ledgers could result in the financial statements requiring audit reclassifications; furthermore, inaccurate accounting records could make it difficult for the Village Council to effectively monitor the Village's activities or identify misstatements or errors in a timely manner.

The Village should review the Village Officer's Handbook and exercise due care when posting transactions to help ensure receipts and disbursements are posted to the correct fund and account. Additionally, the Village Council should review monthly receipt and expenditure activity reports to help ensure transactions are properly accounted for and classified. This will help accurately reflect the Village's financial activity and will aid in accurate financial reporting.

Officials' Response: Moving forward we will be more diligent in posting receipts and disbursements accurately to the accounting system.

**VILLAGE OF SHREVE
WAYNE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017
(CONTINUED)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)
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FINDING NUMBER 2018-002

Fund Balance Adjustments – Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(I) requires that money paid into any fund shall be used only for the purposes for which such fund is established.

During 2018, the Village made an unallowable payment of \$143 from the Mayor's Court Fund which should have been made from the General Fund.

Making disbursements from funds that should not incur those disbursements could lead to disbursements in excess of appropriations or negative fund balances.

These amounts were adjusted to the Village's accounting system and financial statements.

The Village should exercise due care when posting disbursements to ensure disbursements are posted to the correct funds. This will help more accurately reflect the Village's financial activity and will aid in more accurate financial reporting.

Officials' Response: Moving forward we will be more diligent in posting receipts and disbursements accurately to the accounting system.

FINDING NUMBER 2018-003

Enforcement of Income Tax Ordinance – Noncompliance and Material Weakness

Village of Shreve Ordinance 10-70, Article II-2 (a) indicates an annual tax for the purposes specified in Article I hereof shall be imposed on and after January 1, 1971, at the rate of one percent per annum upon the following:

- (1) On all salaries, wages, commissions and other compensation earned on and after January 1, 1971, by residents of the Village; and
- (2) On all salaries, wages, commissions and other compensation earned on and after January 1, 1971, by nonresidents for work done or services performed or rendered in the Village.

Village of Shreve Ordinance 10-70, Article IV-1 (a) indicates each employer within the Village, subject to exemptions set forth in division (A) of Section 718.03 of the Ohio Revised Code, who employs within the Village one or more persons on a salary, wage, commission or other compensation basis, excluding exempted incomes set forth in Article II-2 shall deduct, at the time of the payment of such salary, wage, commission or other compensation, the tax of one percent of the following items:

- Salaries, wages, commissions or other compensation due by the employer to the employee.
- Tips and gratuities received in the course of employment for the employer.

The employer shall, on or before the last day of the month following the close of the calendar quarter make a return and pay to the Village Clerk the amount of taxes so deducted, subject to the provisions of subsections (c) and (e) hereof.

Village of Shreve Ordinance 10-70, Article IV-1 (h) indicates such employer, on or before the last day of February of each year, shall be required to file a return to reconcile Shreve taxes withheld from employees to payments remitted of such tax withheld for the previous calendar year.

VILLAGE OF SHREVE
WAYNE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017
(CONTINUED)

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

FINDING NUMBER 2018-003 (Continued)

Enforcement of Income Tax Ordinance – Noncompliance and Material Weakness (Continued)

Village of Shreve Ordinance 10-70, Section 7 (a) indicates except as provided in subsection (c) hereof, all taxes imposed and all moneys withheld, or required to be withheld, by employers under the provisions of this chapter and remaining unpaid after they have become due shall bear interest, in addition to the amount of the unpaid tax or withholdings at the rate of one-half of one percent per month or fraction thereof. **Section 7 (b)** indicates in addition to interest as provided in subsection (a) hereof, penalties based on the unpaid tax or failure to file a return, provide required written notification or information in a timely manner are hereby imposed as follows:

(1) For failure to pay taxes due, other than taxes withheld: one percent per month or fraction thereof.

Village of Shreve Ordinance 10-70, Article II-4 (f) indicates the Village Clerk shall prescribe the form and method of accounts and reports for such department, as well as the forms for taxpayers' returns and declarations and shall be charged with the internal examination and audit all such accounts, and shall exhibit accurate records showing the amount received from each taxpayer, and the date of such receipt.

The following issues were noted during income tax testing for the year ended December 31, 2017:

- The Village did not perform any procedures to verify residents within the Village filed income tax returns or employers within the Village limits deducted and remitted income tax amounts to the Village as required by the Village's Income Tax Ordinance Article II-2(a) and Article IV-1(a).
- All individual returns tested did not have an employer submitted reconciliation to reconcile the taxes withheld from employees to payments remitted to the Village as required by the Village's Income Tax Ordinance Article IV-1(h).
- The Village did not document that an internal examination and audit of the income tax returns had been completed, and they did not time stamp or document in any other way the date of the income tax receipts as required by the Village's Income Tax Ordinance Article II-4(f) or to issue or waive late penalties and interest as required by the Village's Income Tax Ordinance 10-70 Section 7.

Failing to follow the Village's Income Tax Ordinance could cause the Village to not collect all income tax receipts, penalties and interest that are due to them.

We recommend the Village properly follow Ordinance 10-70, establishing procedures to ensure all individuals and businesses are filing income tax returns and paying income taxes, to ensure all businesses file the appropriate supporting documentation for their income tax payments, to ensure penalties and interest are appropriately administered or, in the case of waivers, appropriately document why the penalties and interest are waived, and to ensure the income tax returns are appropriately reviewed and time stamped or documented in some way as to the date of the receipt of the income tax. This will help ensure the Village is collecting all of the income tax required under the Village's Income Tax Ordinance and will help ensure accurate financial information for the Village.

Officials' Response: The Village now contracts with CCA for income tax collection.

**VILLAGE OF SHREVE
150 WEST MCCONKEY STREET
PO BOX 604
SHREVE, OHIO 44676**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2018 AND 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001 2014-001	Bank Reconciliations (First issued in 2012)	Fully Corrected	
2016-002 2014-006	Unsupported Expenditures – Finding for Recovery (First issued in 2014)	Fully Corrected	
2016-003 2014-002	Mayor’s Court Agency Fund (First issued in 2008)	Fully Corrected	
2016-004 2014-005	Fund Balance Adjustments (First issued in 2006)	Not Corrected	Repeated as 2018-002
2016-005	Financial Statement Presentation	Not Corrected	Repeated as 2018-001
2016-006	Income Tax	Partially Corrected	Repeated as 2018-003

OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF SHREVE

WAYNE 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
JUNE 18, 2019**