



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF RARDEN
SCIOTO COUNTY
DECEMBER 31, 2020 AND 2019**

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OHIO AUDITOR OF STATE KEITH FABER



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REPORT ON THE FINANCIAL STATEMENTS, INTERNAL CONTROL, AND COMPLIANCE

Village of Rarden
Scioto County
1693 Main Street
Rarden, Ohio 45671

To the Village Council:

We have selectively tested certain accounts, financial records, reports and other documentation of the Village of Rarden, Scioto County, (the Village), as of and for the years ended December 31, 2020 and 2019. These procedures were designed to satisfy the audit requirements of Ohio Rev. Code Section 117.11 , and Ohio Admin. Code Section 117-4-02. Our engagement was not designed as a basis to opine on the accompanying financial statements, internal control over financial reporting, or compliance. We therefore express no opinions on these matters.

Internal Control Over Financial Reporting

Certain of the aforementioned tests relate to internal control over financial reporting. The results of those tests may allow us to identify internal control deficiencies. An internal control deficiency 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, whether caused by error or fraud.

Our internal control tests were not designed to identify all internal control deficiencies that might exist. Therefore, unidentified weaknesses may exist. However, we consider Findings 2020-009, 2020-014 and 2020-017 reported in the Schedule of Findings to be internal control deficiencies management and those charged with governance should address.

Compliance and Other Matters

We also tested compliance with certain provisions of laws, regulations, contracts, and grant agreements, applicable to the Village, noncompliance with which could directly and materially affect the determination of financial statement amounts. The results of our tests disclosed instances of noncompliance we believe could directly and materially affect the determination of financial statement amounts that we reported in the Schedule of Findings as items 2020-001 through 2020-008, 2020-010 through 2020-013 and 2020-015 through 2020-016.

Emphasis of Matter

As discussed in Note 11 to the 2020 financial statements and Note 11 to the 2019 financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Village.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio
January 20, 2022

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, 2020*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$8,820	\$11,977	\$20,797
Intergovernmental	8,249	45,222	53,471
Charges for Services	50	115,828	115,878
Earnings on Investments	148	588	736
Miscellaneous	1,370	71	1,441
<i>Total Cash Receipts</i>	<u>18,637</u>	<u>173,686</u>	<u>192,323</u>
Cash Disbursements			
Current:			
Security of Persons and Property	6,669	87,613	94,282
Public Health Services		7,158	7,158
Basic Utility Services	140	14,429	14,569
General Government	4,905	723	5,628
Debt Service:			
Principal Retirement		1,710	1,710
<i>Total Cash Disbursements</i>	<u>11,714</u>	<u>111,633</u>	<u>123,347</u>
<i>Net Change in Fund Cash Balances</i>	6,923	62,053	68,976
<i>Fund Cash Balances, January 1</i>	<u>1,856</u>	<u>237,525</u>	<u>239,381</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$8,779</u></u>	<u><u>\$299,578</u></u>	<u><u>\$308,357</u></u>

See accompanying notes to the basic financial statements

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Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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, security of person and property services which includes fire protection and ambulance services.

The Village was 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 States Office and is working to implement changes as submitted.

Public Entity Risk Pools

The Village participates in a public entity risk pool. Note 7 to the financial statements provide additional information for these entities. 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 accounts for fire contract and levy monies restricted for the operation of the volunteer fire department.

Ambulance Fund This fund accounts for ambulance contract and levy monies restricted 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, 2020

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. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 2020 budgetary activity appears in Note 4.

Deposits

The Village maintains its deposit pool in an interest-bearing checking account with a local commercial bank.

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. For regulatory purposes nonspendable fund balance includes

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2020

unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Street Construction Fund by \$2,230 at December 31, 2020. Also, contrary to Ohio law, 100% of the transactions tested for unrecorded encumbrances at December 31, 2020 were not certified by the Village Fiscal Officer at the time the commitment was incurred.

Contrary to Ohio law, the Village did not have a resolution or ordinance adopted by Village Council establishing amounts for blanket certificates.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$16,353	\$18,637	\$2,284
Special Revenue	136,146	173,686	37,540
Total	\$152,499	\$192,323	\$39,824

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$14,910	\$11,714	\$3,196
Special Revenue	131,852	111,633	20,219
Total	\$146,762	\$123,347	\$23,415

Note 5 – Deposits

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit accounts are as follows:

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$308,357

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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. 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. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. Effective November 1, 2020, the OPRM's property retention increased from 33% to 55%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2020.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2020.

Assets	\$ 18,826,974
Liabilities	<u>(13,530,267)</u>
Members' Equity	<u>\$ 5,296,707</u>

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

Workers' Compensation

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.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 8 – Defined Benefit Pension Plans

Social Security

All Village 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, 2020.

Note 9 – Contingent Liabilities

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.

Note 10 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the Village had no nonspendable fund balances.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received \$7,158 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

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, 2019*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$5,898	\$8,003	\$13,901
Intergovernmental	5,351	30,956	36,307
Charges for Services		107,618	107,618
Earnings on Investments	244	122	366
Miscellaneous	4,440	832	5,272
<i>Total Cash Receipts</i>	<u>15,933</u>	<u>147,531</u>	<u>163,464</u>
Cash Disbursements			
Current:			
Security of Persons and Property	7,397	87,271	94,668
Leisure Time Activities		567	567
Basic Utility Services	1,157	17,463	18,620
General Government	6,469	1,135	7,604
Debt Service:			
Principal Retirement		1,710	1,710
<i>Total Cash Disbursements</i>	<u>15,023</u>	<u>108,146</u>	<u>123,169</u>
<i>Net Change in Fund Cash Balances</i>	910	39,385	40,295
<i>Fund Cash Balances, January 1</i>	<u>946</u>	<u>198,140</u>	<u>199,086</u>
Fund Cash Balances, December 31			
Restricted		237,525	237,525
Unassigned (Deficit)	1,856		1,856
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,856</u></u>	<u><u>\$237,525</u></u>	<u><u>\$239,381</u></u>

See accompanying notes to the basic financial statements

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Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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, security of person and property services which includes fire protection and ambulance services.

The Village was 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 States Office and is working to implement changes as submitted.

Public Entity Risk Pools

The Village participates in a public entity risk pool. Note 7 to the financial statements provide additional information for these entities. 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 accounts for fire contract and levy monies restricted for the operation of the volunteer fire department.

Ambulance Fund This fund accounts for ambulance contract and levy monies restricted 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, 2019

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. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 2019 budgetary activity appears in Note 4.

Deposits

The Village maintains its deposit pool in an interest-bearing checking account with a local commercial bank.

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.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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.

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 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 Statue.

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 Grant Fund by \$1,015 at December 31, 2019. Also, contrary to Ohio law, appropriations exceeded estimated resources in the General Fund by \$9,988.

Contrary to Ohio law, 100% of the transactions tested for unrecorded encumbrances at December 31, 2019 were not certified by the Village Fiscal Officer at the time the commitment was incurred. Also, contrary to Ohio law, the Village did not have a resolution or ordinance adopted by Village Council establishing amounts for blanket certificates.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,225	\$15,933	\$8,708
Special Revenue	129,525	147,531	18,006
Total	\$136,750	\$163,464	\$26,714

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2019

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$18,159	\$15,023	\$3,136
Special Revenue	118,392	108,146	10,246
Total	\$136,551	\$123,169	\$13,382

Note 5 – Deposits

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

Demand deposits	2019
	\$239,381

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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, 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. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>(11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

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

Workers' Compensation

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.

Note 8 – Defined Benefit Pension Plans

Social Security

All Village 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, 2019.

Village of Rarden, Ohio
Scioto County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
Ohio Department of Commerce	\$1,710	0.00%
Total	\$1,710	

The Ohio Department of Commerce loan relates to the Small Government Fire Department Services Revolving Loan Fund for the Volunteer Fire Department purchasing a single can 2000 Chassis truck. The loan also provides for the 2000 tank and pump from a service truck to be transferred, installed and wired on the new Chassis. The Ohio Department of Commerce granted the Village a non interest bearing loan of \$11,400 in 2015.

Amortization

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

	Ohio Department of Commerce
Year Ending December 31:	
2020	\$1,710
Total	\$1,710

Note 10 – Contingent Liabilities

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.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

VILLAGE OF RARDEN
SCIOTO COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019

<i>Finding Number</i>	2020-001
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Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission. No appropriation measure shall become effective until the county auditor files a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

At December 31, 2019, the Village's appropriations exceeded the amount certified as available by the budget commission in the General Fund by \$9,988.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Village Council to reduce the appropriations.

<i>Finding Number</i>	2020-002
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Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's Fire Grant Fund had expenditures in excess of appropriations of \$1,015, as of December 31, 2019 and the Village's Street Construction Fund had expenditures in excess of appropriations of \$2,230, as of December 31, 2020.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

<i>Finding Number</i>	2020-003
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Noncompliance

Ohio Rev. Code § 135.22(B) states that to enhance the background and working knowledge of treasurers in investments, cash management, and ethics, the treasurer of state shall provide annual continuing education programs for treasurers. A treasurer annually shall complete the continuing education programs described, unless the treasurer annually provides a notice of exemption.

The Fiscal Officer did not attend the annual continuing education programs provided by the Auditor of State or complete the annual exemption to the Auditor of State's office in fiscal year 2020.

In order to maintain and/or enhance the working knowledge and prevent future occurrences of noncompliance, the Fiscal Officer shall attend the annual training or complete an annual exemption and submit to the Auditor of State's office.

<i>Finding Number</i>	2020-004
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Noncompliance

Ohio Rev. Code § 733.27 states village officers must attend annual training programs for new village fiscal officers and annual continuing education programs provided by the Auditor of State. The Auditor of State interprets this section as requiring a newly-elected fiscal officer to attend the new fiscal officer's training offered by the Auditor of State between December 1 and the following February 15, and any other annual training offered by the Auditor of State.

Continuing fiscal officers must attend the annual update sessions only. There was no indication the Fiscal Officer attended the required training during 2020 or 2019. This could cause the Village to be in noncompliance with the Ohio Revised Code.

The Fiscal Officer should make arrangements to attend the required annual training offered by the Auditor of State.

<i>Finding Number</i>	2020-005
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Noncompliance

Ohio Rev. Code § 149.43(B)(2) states that the entity shall have available a copy of its current records retention schedule at a location readily available to the public.

The Village did not have a formal records retention policy developed and approved by Council. Without a proper policy in effect, this could result in the improper disposal of public records.

We recommend the Village adopt a records retention policy and schedule which is in compliance with Ohio Revised Code requirements and be made readily available to the public.

<i>Finding Number</i>	2020-006
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Noncompliance

Ohio Rev. Code § 733.81 requires a newly elected or appointed fiscal officer to complete at least six hours of initial education programs before commencing, or during the first year of office. An additional eighteen hours of continuing education must be completed within the fiscal officer’s first term. Twelve hours of training shall be completed for each subsequent term. Consider the following training guidelines:

- Training obtained under Ohio Revised Code Section 117.44, 109.43 or 135.22 can be applied to the required hours.
- For fiscal officers who are appointed to fill a vacancy, these requirements shall be required proportionate to the time remaining in the vacated office.
- Two hours of ethics instruction shall be included in the continuing education requirements for each term.
- CPAs serving as a fiscal officer may apply hours of continuing education completed under Ohio Revised Code Section 4701.11.
- Fiscal officers who teach approved continuing education course(s) may apply that credit in the same manner as if they had attended the course.

The Auditor of State is responsible for conducting education programs and continuing education courses for fiscal officers. Training may also be conducted by the Ohio Township Association or Ohio Municipal League if approved by the Auditor of State. The Auditor of State shall also verify completion of initial education programs and continuing education courses. Certificates of completion shall be issued by the Auditor of State. A “failure to complete” notice will be issued by the Auditor of State for those fiscal officers who fail to complete the requirements. The notice is issued at two deadlines: 1) if newly-elected fiscal officers do not complete 6 hours of training during their first year of office, and 2) if any fiscal officer does not complete their required total hours by the end of their term. This does not affect the individual’s ability to hold office and is for informational purposes only.

The Fiscal Officer did not complete the continuing education that was required. Failure to complete training and report to the Fiscal Integrity Act portal could cause noncompliance with the Ohio Revised Code.

The Fiscal Officer should complete the required training as prescribed by the Ohio Revised Code.

<i>Finding Number</i>	2020-007
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Noncompliance

Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1) require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio’s Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General’s Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training.

FINDING NUMBER 2020-007
(Continued)

All (100%) of the Village's elected officials with terms ending in 2019, did not, during their term of office, attend a required Certified Public Records Training or have an appropriate designee attend a training, due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.

<i>Finding Number</i>	2020-008
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Noncompliance

Ohio Rev. Code § 135.18(B) states that each institution designated as a public depository and awarded public deposits, shall provide security for the repayment of all public deposits by securing all uninsured public deposits of each public depositor separately (Ohio Revised Code Section 135.18(A)(1)), or as applicable to Ohio Revised Code Section 135.181 or 135.182 by establishing and pledging to the treasurer of state a single pool of collateral for the benefit of every public depositor (Ohio Revised Code Section 135.18(A)(2)). If a public depository elects to provide security pursuant to Ohio Revised Code Section 135.18(A)(1), the public depository must pledge eligible securities and equal to at least one hundred five percent.

The Village holds deposits with an institution that has enrolled in the Treasurer of State's collateral pool. According to guidance published by the Treasurer of State, public units are responsible for periodically reviewing the balance of their public deposits reported by their financial institutions to ensure accuracy. Financial institutions are required to notify public units of their OPCS enrollment and should generate correspondence with their public units inviting them to create an account within the OPCS portal. This account should then be accessed periodically by the public unit for monitoring of account balance and other information reported by the financial institution to the OPCS. If errors or inconsistencies are identified through monitoring procedures, the public unit should submit a deposit attestation and notify the treasurer of state of certain other issues or errors identified. Per review of OPCS, the Fiscal Officer has been invited to join and monitor OPCS but has yet to do so.

The Village should implement a formal procedure of periodic monitoring of balances within OPCS to ensure compliance with laws and regulations.

<i>Finding Number</i>	2020-009
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Internal Control Deficiency

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Council are precisely stated and accurately posted to the appropriation ledger.

FINDING NUMBER 2020-009
(Continued)

The original certificate and amendments establish the amounts available for expenditures for the Village, and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

Variances between approved budgetary appropriation amounts and amounts recorded in the Uniform Accounting Network (UAN) system at December 31, 2020 were as follows:

Fund:	Approved Appropriations	Appropriations in UAN System	Difference
Street Highway Construction Fund	\$12,200	\$15,950	(\$3,750)

Variances between estimated receipt amounts from the Amended Certificate of Estimated Resources and budgeted receipt amounts recorded in the UAN system at December 31, 2020 were as follows:

Fund:	Estimated Receipts from Amended Certificate of Estimated Resources	Budgeted Receipts in UAN System	Difference
General Fund	\$16,353	\$12,953	\$3,400
EMS Fund	\$52,220	\$47,520	\$4,700

Variances between estimated receipt amounts from the Amended Certificate of Estimated Resources and budgeted receipt amounts recorded in the UAN system at December 31, 2019 were as follows:

Fund:	Estimated Receipts from Amended Certificate of Estimated Resources	Budgeted Receipts in UAN System	Difference
General Fund	\$7,226	\$15,226	(\$8,000)
Street Construction Fund	\$6,900	\$7,400	(\$ 500)
State Highways Fund	\$1,000	\$560	\$ 440
EMS Fund	\$50,855	\$51,320	(\$ 465)
Street Light Fund	\$6,800	\$0	\$6,800

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations approved by Village Council were not properly posted to the accounting system. Additionally, the estimated receipt amounts from the Amended Certificate of Estimated Resources were not posted to the accounting system.

Failure to accurately post the appropriations and estimated receipts to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should accurately post to the ledgers, on a timely basis, estimated receipts as certified by the budget commission and appropriations approved by the Council and filed with the County Auditor. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

<i>Finding Number</i>	2020-010
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Noncompliance

26 CFR § 1.6041-1 states that you must file Form 1099-MISC, Miscellaneous Income, to report payments of \$600 or more to persons not treated as employees (for example, independent contractors) for services performed for your trade or business.

The Village did not prepare a 1099-MISC form for two eligible independent contractors whose compensation exceeded the \$600 threshold in 2020 and two eligible independent contractors whose compensation exceeded the \$600 threshold in 2019. Failure to prepare the required forms could result in fines and penalties being levied against the Village.

The Village should establish policies and procedures to verify that payments in excess of \$600 to its independent contractors are reported on the 1099-Misc form. The Village should also review the relationship of the above mentioned parties to determine whether they are independent contractors or employees.

This matter will be referred to the Internal Revenue Service.

<i>Finding Number</i>	2020-011
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Noncompliance

Ohio Rev. Code §§ 733.27 and 733.28 provide that all official actions of the Village and all pertinent information shall be recorded in the record of proceedings (minutes).

Ohio Rev. Code § 121.22 states that all meetings of any public body are open to the public at all times. The minutes of a regular or special meeting of any such public body shall be promptly recorded and open to public inspection.

During the review of the Village Council's meeting minutes, four out of twenty-two meeting minutes were not signed to indicate approval, and five out of twenty-two meeting minutes were not approved at Council meetings. This resulted in the inability to determine whether the minute record is accurate and complete and whether proper monitoring is occurring.

The Village should implement the appropriate procedures to ensure that minutes of a regular or special meeting of any such public body be promptly recorded and approved. These records should be signed to indicate final approved minutes.

<i>Finding Number</i>	2020-012
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Noncompliance

Ohio Rev. Code § 9.38 provides in part, all public monies received shall be deposited with the treasurer of the public office or designated depository on the business day next following the day of receipt, if the total amount of such monies received exceeds \$1,000. If the total amount of public moneys so received does not exceed \$1,000, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions and procedures to safeguard the public monies until they are deposited.

FINDING NUMBER 2020-012
(Continued)

To date the Village has not approved a policy to extend the time between collection and deposit beyond one business day.

In 2019, all tax receipts tested, totaling \$13,901, were not deposited with the designated depository for a period ranging from seven to twenty-five business days after initial receipt of the monies. Delays of this nature resulting from deficiencies in internal control procedures could cause receipts to be lost, misplaced, or stolen without being detected in a timely manner.

The Village should draft, approve, and implement policies and procedures to help ensure timely depositing of public monies in accordance with Ohio Rev. Code § 9.38.

<i>Finding Number</i>	2020-013
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Noncompliance

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer'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 Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village Council can authorize the drawing of a warrant for the payment of the amount due. The Village Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions 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 – The auditor or fiscal officer 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.

**FINDING NUMBER 2020-013
 (Continued)**

3. Super Blanket Certificate – The Village Council 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, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, transactions tested at December 31, 2019 and December 31, 2020 were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Village followed the aforementioned exceptions. The Village's policy is to close out all purchase orders by year end. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure 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, the Fiscal Officer should certify 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.

<i>Finding Number</i>	2020-014
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Internal Control Deficiency

The Village provided ambulance services for the Village and Rarden Township throughout the audit period. The Village entered into an agreement with MediCount, 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 MediCount.

We were able to obtain a confirmation from MediCount of the monies that were paid to the Village for both 2020 and 2019; however, the Village was not able to provide run sheets for audit nor were they able to determine if MediCount was correctly billing for services.

The Village 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 MediCount is properly billing for runs.

<i>Finding Number</i>	2020-015
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Noncompliance

Ohio Rev. Code § 5705.41(D), provides that fiscal officers may prepare so-called "blanket" certificates for a sum not exceeding an amount established by resolution or ordinance adopted by 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.

**FINDING NUMBER 2020-015
 (Continued)**

In addition to regular blanket certificates, a subdivision's fiscal officer may also issue so-called "super blanket" certificates for any amount for expenditures and contracts from a specific line-item appropriation account in a specified fund for most professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the fiscal year. More than one super blanket certificate may be outstanding at one particular time for a particular line-item appropriation account.

The Village did not have a resolution or ordinance adopted by the Village Council establishing amounts for "blanket" certificates. Failure to properly certify the availability of funds can result in overspending funds and negative cash balances.

We recommend the Village adopt a resolution or ordinance establishing amounts for "blanket" certificates.

<i>Finding Number</i>	2020-016
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Noncompliance

Ohio Rev. Code § 135.14(O)(1), states investments or deposits under § 135.14 cannot be made unless a written investment policy approved by the treasurer or governing board is on file with the Auditor of State, with the following two exceptions:

1. Per Ohio Rev. Code § 135.14(O)(2), If a written investment policy is not filed with the Auditor of State, the treasurer or governing board can invest only in interim deposits, STAR Ohio, or no-load money market mutual funds.
2. Per Ohio Rev. Code § 135.14(O)(3), A subdivision whose average annual investment portfolio is \$100,000 or less need not file an investment policy, provided that the treasurer or governing board certifies to the Auditor of State that the treasurer or governing board will comply and is in compliance with the provisions of §§ 135.01 to 135.21.

The Village did not certify with the Auditor of State that the treasurer or governing board will comply and is in compliance with provisions of §§ 135.01 to 135.21. This can cause the Village to be in noncompliance.

We recommend the Village file the appropriate certification to be in compliance with provisions of §§ 135.01 to 135.21.

<i>Finding Number</i>	2020-017
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Internal Control Deficiency

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.

Sound financial reporting is the responsibility of the Village Fiscal Officer and Council and is essential to ensure the information provided to the readers of the financial statement is complete and accurate.

**FINDING NUMBER 2020-017
(Continued)**

Due to deficiencies in internal control, the Village misclassified and misposted various receipts and disbursements to the annual financial report submitted to the Auditor of State for fiscal years 2020 and 2019 as follows:

On the December 31, 2020 financial statements:

- In the General Fund, Intergovernmental receipts were understated by \$750.
- In the Street Construction Fund, Intergovernmental receipts were overstated by \$1,467.
- In the State Highway Fund, Intergovernmental receipts were overstated by \$119.
- In the Fire Fund, Intergovernmental receipts were understated by \$484.
- In the Emergency Medical Services Fund, Intergovernmental receipts were understated by \$352.

On the December 31, 2019 financial statements:

- In the General Fund, Intergovernmental receipts were understated by \$403.
- In the Street Construction Fund, Intergovernmental receipts were overstated by \$792.
- In the State Highway Fund, Intergovernmental receipts were overstated by \$64.
- In the Fire Fund, Intergovernmental receipts were understated by \$265.
- In the Emergency Medical Services Fund, Intergovernmental receipts were understated by \$188.

The Village has adjusted the financial statements and accounting system to correct these errors. Failure to accurately post financial activity can lead to material misstatements in financial reporting, and increases the risk that errors, theft and fraud could occur and not be detected in a timely manner.

To ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the statements and notes by the Village Fiscal Officer and Council to identify and correct errors and omissions. We also recommend the Village Fiscal Officer take care in posting transactions in order to ensure the year-end financial statements reflect the appropriate activity for the Village's receipts and expenditures.

Officials' Response:

We did not receive responses from Officials to these findings

**Village of Rarden
Scioto County
1693 Main Street
Rarden, OH 45671**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2020 AND 2019**

Finding Number	Finding Summary	Status	Additional Information
2018-001	Noncompliance – Proper Encumbering	Not Corrected	See Finding Number 2020-013
2018-002	Noncompliance/Material Weakness – Expenditures in Excess of Appropriations	Not Corrected	See Finding Number 2020-002
2018-003	Noncompliance/Material Weakness – Bank Reconciliation	Fully Corrected	
2018-004	Material Weakness – Sound Financial Reporting	Not Corrected	See Finding Number 2020-017
2018-005	Noncompliance/Material Weakness – Monitoring by Council	Fully Corrected	
2018-006	Noncompliance/Material Weakness – Supporting Documentation	Fully Corrected	
2018-007	Material Weakness – Monitoring of Ambulance Billing Service Provider	Not Corrected	See Finding Number 2020-014
2018-008	Noncompliance/Material Weakness – Payroll Taxes	Fully Corrected	
2018-009	Material Weakness – Budgetary Amounts	Not Corrected	See Finding Number 2020-009
2018-010	Noncompliance – Appropriations in Excess of Estimated Resources	Not Corrected	See Finding Number 2020-001
2018-011	Noncompliance – Appropriations Approved in Minutes	Fully Corrected	

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF RARDEN

SCIOTO COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/10/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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