



Dave Yost • Auditor of State



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Village of Kettlersville
Shelby County
P.O. Box 144
Kettlersville, Ohio 45336

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Village of Kettlersville, Shelby County, (the Village) for the years ended December 31, 2012 and 2011.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2012 or 2011.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Current Year Observations

1. The Village is required to deduct retirement contributions from all employee compensation. Elected officials may either elect to contribute to Ohio Public Employees Retirement System (OPERS), but if the official does not join the system, they are required to contribute to Social Security. The Village is then responsible to contribute the employer share of the retirement system the official has elected. The Village paid all elected officials in December 2012 and 2011 for wages earned during the calendar year. There was one Council member from which neither retirement contribution was made in either year. The Fiscal Officer should take procedures to verify each elected officials choice of either OPERS or Social Security, and should withhold for that selected retirement system. Employee and employer contributions should then be remitted to the proper retirement system.
2. The Village withheld local taxes and pension (social security and OPERS) from officials. It was noted that withholdings were not being remitted timely for local income taxes and pensions. Failure to remit withholdings in a timely manner could lead to fines or penalties being assessed by the IRS and OPERS. The Village should verify that withholdings are remitted timely to avoid possible interest or penalties being assessed.
3. The Village does not incorporate budgeted receipts into the manual accounting records, to track budget versus actual throughout the year. The Village should include estimated receipts in the manual accounting records so that members of council and other officials can make informed decisions and avoid potential deficit spending.

Current Status of Matters we Reported in our Prior Engagement

Our prior audit for the years ended December 31, 2010 and 2009 included two findings related to financial reports not agreeing to the underlying manual accounting ledgers resulting in reclassifications and adjustments, and failure to properly encumber transactions. The Village appears to have corrected the previous finding related to inaccuracy of financial reports; however we noted that the other prior finding related to prior certification, Ohio Rev. Code Section 5705.41(D) has not been fully corrected.

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

Dave Yost
Auditor of State

April 8, 2013



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VILLAGE OF KETTLERSVILLE

SHELBY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
APRIL 23, 2013