



Dave Yost • Auditor of State



VILLAGE OF NEW BAVARIA  
HENRY COUNTY

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# Dave Yost • Auditor of State

## ACCOUNTANTS' REPORT

Village of New Bavaria  
Henry County  
P.O. Box 256  
New Bavaria, Ohio 45848-0256

To the Village Council:

We have selectively tested certain accounts, financial records, files, and reports of the Village of New Bavaria, Henry County, Ohio (the Village) as of and for the years then ended December 31, 2010 and 2009, following Ohio Administrative Code § 117-4-02.

There are reportable findings and conditions as a result of performing these procedures. Our reportable findings and conditions follow the financial presentation. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, and we express no opinion on them.

As discussed in Note 7 to the financial statements, the Village has a significant fund balance deficit in the General Fund. Note 7 describe Management's plans regarding this matter. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Village was placed in fiscal emergency by the Auditor of State on May 6, 2010.

This report is intended solely for the information and use of management, the Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Dave Yost".

**Dave Yost**  
Auditor of State

November 14, 2011

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**VILLAGE OF NEW BAVARIA  
HENRY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Local Taxes	\$1,696	\$245	\$1,941
Intergovernmental	3,644	4,205	7,849
Charges for Services	1,365		1,365
Earnings on Investments		7	7
	<u>6,705</u>	<u>4,457</u>	<u>11,162</u>
<b>Cash Disbursements:</b>			
Current:			
Basic Utility Service	3,253		3,253
Transportation		2,675	2,675
General Government	6,297		6,297
	<u>9,550</u>	<u>2,675</u>	<u>12,225</u>
Total Cash Disbursements	<u>9,550</u>	<u>2,675</u>	<u>12,225</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(2,845)</u>	<u>1,782</u>	<u>(1,063)</u>
Fund Cash Balances, January 1	<u>(15,481)</u>	<u>19,573</u>	<u>4,092</u>
<b>Fund Cash Balances, December 31</b>	<b><u>(\$18,326)</u></b>	<b><u>\$21,355</u></b>	<b><u>\$3,029</u></b>

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

**VILLAGE OF NEW BAVARIA  
HENRY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property and Local Taxes	\$3,273	\$246	\$3,519
Intergovernmental	3,597	4,540	8,137
Earnings on Investments		16	16
	<u>6,870</u>	<u>4,802</u>	<u>11,672</u>
<b>Total Cash Receipts</b>			
	<u>6,870</u>	<u>4,802</u>	<u>11,672</u>
<b>Cash Disbursements:</b>			
Current:			
Basic Utility Service	4,956		4,956
General Government	10,777		10,777
	<u>15,733</u>		<u>15,733</u>
<b>Total Cash Disbursements</b>			
	<u>15,733</u>		<u>15,733</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(8,863)</u>	<u>4,802</u>	<u>(4,061)</u>
<b>Fund Cash Balances, January 1</b>	<u>(6,618)</u>	<u>14,771</u>	<u>8,153</u>
<b>Fund Cash Balances, December 31</b>	<u><b>(\$15,481)</b></u>	<u><b>\$19,573</b></u>	<u><b>\$4,092</b></u>

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



**VILLAGE OF NEW BAVARIA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**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 New Bavaria, Henry County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services, including park operations. The Village contracts with Pleasant Township to receive fire protection services.

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 the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

**C. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

This fund accounts for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. 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.

**D. Budgetary Process**

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

**VILLAGE OF NEW BAVARIA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**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. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also 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 cancelled, and are reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

**E. 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 and investments. The carrying amount of deposits at December 31 was as follows:

	2010	2009
Total deposits	\$3,029	\$4,092

Deposits are insured by the Federal Depository Insurance Corporation.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$6,705	\$6,705
Special Revenue		4,457	4,457
Total		\$11,162	\$11,162

**VILLAGE OF NEW BAVARIA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**3. Budgetary Activity (Continued)**

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General		\$9,550	(\$9,550)
Special Revenue		2,675	(2,675)
Total		\$12,225	(\$12,225)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$6,870	\$6,870
Special Revenue		4,802	4,802
Total		\$11,672	\$11,672

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General		\$15,733	(\$15,733)

Contrary to Ohio law, the Village approved no appropriations for 2010 or 2009 therefore, budgetary expenditures exceeded appropriation authority in all funds for both 2010 and 2009. Also contrary to Ohio law, the General fund had a deficit balance as of December 31, 2010 and 2009.

**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.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**VILLAGE OF NEW BAVARIA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**5. Retirement System**

The Village's officials 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 2010 and 2009, 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, 2010.

**6. Risk Management**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**7. General Fund Balance**

The Village's General Fund had a deficit balance of (\$15,481) at December 31, 2009. This worsened in 2010 and at December 31, 2010 the General Fund balance was (\$18,326). The Village has approved an income tax and tax levy in 2011 so as to increase revenues.

The Local Government Services Division of the Auditor of State's office was contacted regarding the financial difficulties, and began a fiscal analysis under the criteria established in ORC Chapter 118. On May 6, 2010, the Village was declared in fiscal emergency due to the significant deficit fund balance in the General fund, fulfilling Chapter 118 criteria.



# Dave Yost • Auditor of State

## ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

Village of New Bavaria  
Henry County  
P.O. Box 256  
New Bavaria, Ohio 45848-0256

To the Village Council:

We have selectively tested certain accounts, financial records, files, and reports of the Village of New Bavaria, Henry County, Ohio (the Village), as of and for years ended December 31, 2010 and 2009 following Ohio Administrative Code § 117-4-02. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, internal control over financial reporting, or compliance. We therefore express no opinion on these matters.

### Internal Control Over Financial Reporting

During our procedures related to the internal control over financial reporting we noted matters that, in our judgment, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. In addition, these matters could result in the occurrence of misstatements that are caused by error or fraud that would not be detected in a timely manner by employees when performing the assigned functions. These matters are described in the schedule of findings as items 2010-008 through 2010-013.

### Compliance and Other Matters

We tested compliance with certain provisions of laws, regulations, contract, and grant agreements, applicable to the Village. Noncompliance with these requirements could impact the Village's ability to determine financial statement amounts. The results of our tests disclosed instances of noncompliance that are reported in the accompanying schedule of findings as items 2010-001 through 2010-007.

We intend this report solely for the information and use of management, Village Council and others within the Village. It is not intended for anyone other than these specified parties.

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

**Dave Yost**  
Auditor of State

November 14, 2011

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**VILLAGE OF NEW BAVARIA  
HENRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2010 AND 2009**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
---

**FINDING NUMBER 2010-001**

**Noncompliance Citation**

**Ohio Revised Code, § 117.38**, states cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end and the public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer.

The Village did not publish notice in local newspaper for its 2010 or 2009 financial report.

We recommend an annual notice be published as required.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

**FINDING NUMBER 2010-002**

**Noncompliance Citation**

**Ohio Revised Code, § 149.43(B)(2)**, requires all entities to adopt a public records policy and to have available a copy of its current records retention schedule at a location readily available to the public. In addition, pursuant to **Ohio Revised Code, §109.43(B) and §149.43(E)(1)**, all state and local elected officials, or their designees, must attend at least 3 hours of training on Ohio's Public Records Laws during each term of office. Also, per **Ohio Revised Code, §149.39**, any application or schedule for the destruction of records must be sent to the Ohio Historical Society for review to determine whether any of the records are of historical value. Once reviewed by the Ohio Historical Society, the applications are then forwarded to the Ohio Auditor of State's Office for final approval.

The Village has not adopted a public records policy, no Village official has attended the Ohio Public Records Laws training, and no records retention schedule has been adopted or filed by the Village as required.

We recommend the Council adopt the required policies. Furthermore, Council needs to assign personnel to attend the public records law training.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

**FINDING NUMBER 2010-003**

**Noncompliance Citation**

**Ohio Revised Code, § 5705.10(E)**, requires all revenue derived from a specific source other than the general property tax and which the law prescribes shall be used for a particular purpose to be credited to a special fund for the purpose for which the monies were received.

Additionally, **Ohio Revised Code, § 5705.10(H)**, requires money paid into any fund shall be used only for the purposes for which such fund is established. A negative fund balance indicates money from one fund was used to cover the expenses of another fund.

**FINDING NUMBER 2010-003  
(Continued)**

The General Fund had a deficit General Fund balance of (\$18,326) and (\$15,481) as of December 31, 2010 and 2009, respectively. This is indicative of monies from the Street Construction, Maintenance, and Repair Fund were being used to pay the expenditures of the General Fund. We recommend the Village Council adopt and monitor budgets for each of its funds. Consideration should be given to restricting General Fund expenditures as much as possible. In addition, Council should seek to enhance revenues where possible in the General Fund.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

**FINDING NUMBER 2010-004**

**Noncompliance Citation**

**Ohio Revised Code, § 5705.34**, states each taxing authority is to pass an ordinance or resolution to authorize the necessary tax levies. Each such authority is to certify the levies to the county auditor before October 1st (April 1 for school districts), unless a later date is approved by the tax commissioner.

The minutes of the Village Council meetings do not show approval of an ordinance or resolution authorizing the necessary tax levies for 2010 or 2009, nor was such an ordinance or resolution filed with the county auditor for either year.

We recommend Council approve the required resolution annually and then file it with the county auditor as required.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

**FINDING NUMBER 2010-005**

**Noncompliance Citation**

**Ohio Revised Code, § 5705.36**, states on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances which existed at the end of the preceding year.

The Village did not file this certification with the County Auditor for 2010 or 2009.

We recommend the Village file on or around January 1 of each year, with the county auditor, the certificate of the total amount from all sources available for expenditures and balances.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

**FINDING NUMBER 2010-006**

**Noncompliance Citation**

**Ohio Revised Code, § 5705.38**, states in part on or about the first day of each year, the taxing authority of each subdivision or taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measures as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate. Also, **Ohio Revised Code, 5705.41(B)**, states no subdivision or taxing unit is to expend money unless it has been appropriated.



**FINDING NUMBER 2010-006**  
**(Continued)**

The Village did not pass an appropriation measure for 2010 and 2009. This resulted in expenditures exceeding appropriations in the General Fund and Street Construction, Maintenance and Repair Fund (SCMR) Fund for 2010 and 2009 by the following amounts.

Fund	Appropriations	Expenditures	Variance
General Fund 2010		\$9,550	(\$9,550)
Street Construction, Maintenance and Repair Fund 2010		\$2,675	(\$2,675)
General Fund 2009		\$15,733	(\$15,733)

We recommend the Village adopt appropriations as required. These appropriations should be filed with the County Auditor, and then posted to the Village's appropriation ledger. Monitoring these appropriations will assist the Village in monitoring their resources.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

**FINDING NUMBER 2010-007**

**Noncompliance Citation**

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

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

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

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. **Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**FINDING NUMBER 2010-007**  
**(Continued)**

3. **Super Blanket Certificate** – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the clerk 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 current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Fifty-six percent of the transactions tested were not certified by the Clerk-Treasurer at the time the commitment was incurred and there was no evidence the Village followed the aforementioned exceptions. 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 assure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend the Clerk-Treasurer 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.

We recommend the Village certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders which include the certification language 5705.41(D) requires to authorize disbursements. The Clerk-Treasurer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Clerk-Treasurer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

**FINDING NUMBER 2010-008**

**Duplicate Payments**

In 2009 and 2010 Daniel Rupright, former Clerk Treasurer, paid two invoices for a total of \$510 to the Treasurer of Ohio twice for audit costs and UAN fees. This resulted in overpayments to the Treasurer of Ohio and a credit balance at UAN for the excess payments. As of November 14, 2011 there remains a \$138 credit balance at UAN.

We recommend the Fiscal Officer and Mayor review invoice documentation for all expenditures to ensure the correct amounts are paid and duplicate payments are avoided.

**FINDING NUMBER 2010-009**

**Estimated Revenues**

The Village should submit its estimated receipts to the County Auditor annually, to be used to prepare the Certificate of Estimated Resources. The amounts from this certificate should then be posted to the Village's system and used by the Village to arrive at its annual appropriations.

The Village submitted no estimated receipts to the County Auditor for 2010 or 2009. No Certificate of Estimated Resources was obtained for 2010 or 2009.

**FINDING NUMBER 2010-009  
(Continued)**

We recommend the Village submit its estimated receipts to the County Auditor annually, and request an annual Certificate of Estimated Resources.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

**FINDING NUMBER 2010-010**

**Payroll**

The Village has no complete payroll journal or ledger which records gross pay, deductions, net pay, check numbers and dates for each payroll transaction and in total for the entire year. There was also no W-3's or W-4's or other withholding records or authorizations. And, there was no documentation of pay rates approved years ago.

We recommend the Village either prepare a complete payroll journal record or utilize the payroll software available from UAN. We also recommend the Village complete the annual W-3 form and obtain W-4's and all other applicable withholding authorization forms for its employees. Lastly, the Village Council should approve pay rates for all officials and employees. This approval should be retained.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

**FINDING NUMBER 2010-011**

**Establishing an Audit Committee**

The Village should establish an Audit Committee to serve as liaison between management and its auditors. The primary functions of such a committee are to monitor and review the Village's accounting and financial reporting practices, and to follow up on citations and recommendations made by its auditors.

The Audit Committee should be actively involved in:

- Meeting with the Village's independent auditors before and after each audit.
- Monitoring the progress of the financial and compliance audit.
- Evaluating the results of the financial and compliance audit.
- Ensuring internal control and legal compliance issues identified in the audit are promptly and effectively remedied.

In addition, the Audit Committee should meet regularly (perhaps quarterly) to monitor the Village's legal compliance, financial condition, and controls over the safeguarding of assets.

The Audit Committee can include members of Village Council. However, it can also include representation which is independent from elected officials or management. The committee could include professionals knowledgeable in the Village's financial operations, such as accountants, attorneys, or bankers.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

### **FINDING NUMBER 2010-012**

#### **Minutes**

The minute records from Council meetings during the audit period were not always prepared, or did not note a meeting was not held. Meeting dates and times were not always made aware to the public. Also, the minutes of Village Council did not indicate the following:

- How each member voted on actions coming before Council,
- Approval of prior meeting minutes,
- Which bills were approved for payment,
- Who approved the minutes

In order to provide greater assurance the record of the Village Council meetings are complete and accurate, we recommend minutes be prepared and retained for all meetings held, meeting dates and times should be posted for the public, and the minutes should include:

- How each member voted on actions,
- Approval of prior minutes,
- Which bills were approved for payment (either by listing individually or by attaching a check payment report from the UAN system),
- Signatures of officials approving accuracy of monthly minutes.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

### **FINDING NUMBER 2010-013**

#### **Depository Designation**

Ohio law provides guidelines for depository designation. The Village has deposits at the Henry County Bank, and has no depository agreement with the Henry County Bank.

We recommend the Village obtain a depository agreement with the Henry County Bank, with a term of five years, showing amounts and types of deposits the bank will accept and safeguard which are sufficient to cover all Village deposits.

We also reported this matter in our audit of the 2008 and 2007 financial statements.

#### **Officials' Response:**

We did not receive a response from Officials to the findings reported above.

**VILLAGE OF NEW BAVARIA  
HENRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2008-001	Ohio Revised Code § 5705.10(E) revenues posted to incorrect funds and deficit fund balance	No	Partially corrected – Repeated as Finding 2010-003 in this report.
2008-002	Ohio Revised Code § 5705.10 unallowable advances posted	Yes	
2008-003	Ohio Revised Code § 5705.41(D)(1) for expenditures not properly certified	No	Not corrected – Repeated as Finding 2010-007 in this report.

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# Dave Yost • Auditor of State

VILLAGE OF NEW BAVARIA

HENRY 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  
DECEMBER 1, 2011