



Dave Yost • Auditor of State



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Village of Rendville
Perry County
6461 Main Street
Rendville, Ohio 43730

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Village of Rendville, Perry County, Ohio (the Village), for the years ended December 31, 2013 and 2012.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 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, 2013 or 2012.

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

Current Year Observations

1. We noted that General Fund appropriations of \$3,400 exceeded estimated resources by approximately \$2,768 for the year ended December 31, 2013. Ohio Rev. Code § 5705.39 limits appropriations to estimated resources. Because appropriations authorize spending, appropriating more than estimated resources potentially authorizes deficit spending. The Village should reduce appropriations to the amount of estimated resources.
2. We noted that General Fund disbursements plus year-end encumbrances exceeded appropriations by approximately \$5,124 for the year ended December 31, 2013. Ohio Rev. Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated. We also noted appropriations were not approved by Council in the minutes. See #2 in the "Current Status of Matters we Reported in our Prior Engagement."

Current Status of Matters we Reported in our Prior Engagement

1. At December 31, 2013 and 2012 the General Fund had a negative fund cash balance of \$2,850 and \$691, respectively. Ohio Rev. Code § 5705.10 requires that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

Current Status of Matters we Reported in our Prior Engagement (Continued)

2. Ohio Rev. Code § 5705.28 states, in part, that on or before July 15 in each year, the taxing authority of each subdivision or other taxing unit must adopt a tax budget for the succeeding fiscal year. There was no evidence from our review of the Village's minutes, or our inquiry of the Perry County Auditor, that a tax budget was adopted for 2012 or 2013.

Ohio Rev. Code § 5705.34 requires the Village to pass a resolution authorizing the necessary tax levies and to certify the levies to the County Auditor before October 1 of the preceding fiscal year. There was no evidence from our review of the Village's minutes, or our inquiry of the Perry County Auditor, that the required resolution was adopted or certified for either 2012 or 2013.

Ohio Rev. Code § 5705.36 requires that on or about the first day of each fiscal year, the fiscal officer of each subdivision is 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 that existed at the end of the preceding year. There was no evidence from our review of Village records presented for audit, or our inquiry of the Perry County Auditor, that certificates were filed with the County Auditor for 2012 or 2013.

Ohio Rev. Code § 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. Ohio Rev. Code § 5705.41(B) states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated as provided in such chapter. There was no evidence from our review of the Village's minutes, or our inquiry of the Perry County Auditor, that Village Council passed an annual appropriation measure during 2012 or filed it with the County Auditor. For 2013, an appropriation measure was filed with the County Auditor; however, there is no evidence that the appropriations were approved by Council in their minutes.

Ohio Rev. Code § 5705.39 requires that total appropriations from each fund not exceed total estimated fund resources from each fund. This Section also requires the Village to obtain a County Auditor's certificate that total appropriations from each fund do not exceed the total official estimate or amended official estimate when amending estimated resources. No evidence of passage of the annual appropriation measures for 2012 and 2013 was provided for audit. Per inquiry of the County Auditor, appropriations and budgets were not submitted to the County Auditor for 2012, and therefore, there was no official or amended certificate of estimated resources provided to the Village in 2012.

3. Ohio Rev. Code §121.22(C) states, in part, that the minutes of a regular or special meeting of any public body shall be promptly prepared, filed, and maintained and shall be open to public inspection. From our review of the Village records, we noted that the minutes of the Village Council were not kept in a permanent bound record and were maintained in file folders and on the Fiscal Officer's computer. The minutes appeared to be lacking in detail and/or incomplete, silent regarding certain actions of the Council, and were silent regarding budgetary actions made by Council, including the adoption of annual permanent appropriation measures for either year. In addition, we noted that the minutes were not always signed by the Fiscal Officer and/or the Mayor.

Current Status of Matters we Reported in our Prior Engagement (Continued)

4. Ohio Admin. Code § 117-2-02(D)(4)(a) requires that all local public offices should maintain or provide payroll records including:
- W-2 forms, W-4 forms and other withholding records and authorizations.
 - Payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay, and other compensation paid to an employee (such as termination payment), and the fund and account charged for the payments;
 - Check register that includes, in numerical sequence, the check number, payee, net amount and the date;
 - Information regarding non-monetary benefits, if applicable, such as car usage and life insurance; and
 - Information, by employee, regarding leave balances and usage, if applicable.

During our review of the Village's payroll system, we noted the following conditions:

- An ordinance, or Council action taken in the minutes, was not provided for audit to support the amount to be paid to Council members, the Mayor, or the Fiscal Officer.
- The minutes did not clearly identify Council member attendance at meetings, and there was no other documentation provided for audit to record Council member attendance, which was necessary to determine the annual pay amount due to each member.
- Personnel files were not established for each employee/official.
- No tax withholdings or remittances were made in 2012 or 2013.
- Retirement withholdings were not made or remitted for the Fiscal Officer in 2012 or 2013.
- A W-2 Form was not on file for the Fiscal Officer or Mayor in 2012 or 2013, which were paid in excess of \$600.
- No IT-4 Forms were on file for Village employees/officials.

These conditions could result in officials/employees being compensated incorrectly, incorrect W-2 forms, late penalties, and interest and fees being incurred by the Village. Other errors or irregularities could occur and remain undetected.



Dave Yost
Auditor of State
Columbus, Ohio

June 4, 2014

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VILLAGE OF RENDVILLE

PERRY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 17, 2014