



Dave Yost • Auditor of State



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Village of Elgin
Van Wert County
18079 Walnut Street
Elgin, OH 45894

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 Elgin, Van Wert County, (the Village) for the years ended December 31, 2016 and 2015.

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, 2016 and 2015.

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. We noted that the Village failed to file its withholdings for Medicare and Social Security for the year ended December 31, 2016 in the amount of \$96 and \$411, respectively. The failure to file withholdings by the required due dates could result in the Village being fined by the collecting agency. The Village should closely monitor withholding due dates to ensure timely payment.
2. **Ohio Rev. Code §117.38** states, in part, that each public office shall file a financial report for each fiscal year. The auditor of state may prescribe forms by rule or may issue guidelines, or both, for such reports. Also, the report shall be filed with the auditor of state within sixty days after the close of the fiscal year. **Auditor of State Bulletin 2015-007** states, in part, that Regulatory Cash Basis Entities should file basic financial statements, including Statement(s) (or Combined Statement(s)) of Receipts, Disbursements and Changes of Fund Balance – Governmental, Proprietary, and Fiduciary, as applicable and Notes to the Basic Financial Statements.

The Village did not file the required notes to the 2016 basic financial statements with the Auditor of State's office until April 11, 2017. The Village should implement procedures to ensure that the annual financial report is filed on the Hinkle System in a timely manner and that all filings include the required notes to the basic financial statements.

Current Status of Matters we Reported in our Prior Engagement

3. We examined the bank reconciliation prepared as of December 31, 2014. It did not include a savings account the Village holds in the amount of \$28,451.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The fiscal officer should review transactions recorded since the last reconciliation and properly correct the error.

This has not been corrected as of the years ended December 31, 2016 and 2015.

4. We noted that the Village of Elgin does not maintain a revenue ledger, therefore they were not able to integrate budgetary data. Maintaining a revenue ledger with integrated budgetary data allows Council to review revenue per fund / account and to evaluate amounts received to budgetary estimates for the year. The Village of Elgin should maintain a revenue ledger with integrated budgetary data.

This has not been corrected for the years ended December 31, 2016 and 2015.

5. The Village did not maintain supporting documentation for the tax settlement sheets for both 2013 and 2014. Because the tax settlement sheets allocate gross amounts that are to be reported as tax revenue and deduction amounts that are to be reported as disbursements, the Village of Elgin should maintain the tax settlement sheets as supporting documentation.

This has been fully corrected for the years ended December 31, 2016 and 2015.



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June 1, 2017



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VILLAGE OF ELGIN

VAN WERT 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 15, 2017