



Dave Yost • Auditor of State



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October 19, 2018

Village of Hollansburg
Darke County
P.O. Box 48
Hollansburg, Ohio 45332

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 Hollansburg, Darke County, (the Village) for the years ended December 31, 2017 and 2016.

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, 2017 and 2016.

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.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. The Village did not file the 2017 and 2016 annual financial reports timely within 60 days after fiscal year-end. The 2017 annual financial report was filed on October 4, 2018, and the 2016 annual financial report was filed on October 12, 2018.
2. The Village is required to deduct retirement contributions from all employee compensation. Village employees are required to contribute to the Ohio Public Employees Retirement System (OPERS). The Village is then responsible to contribute the employer share to the retirement system. The Village withheld and remitted social security rather than the Ohio Public Employees Retirement System (OPERS) from the Village's one street maintenance employee. The Fiscal Officer should take procedures to verify that all employees are paid from the appropriate retirement system. Employee and employer contributions should then be remitted to the proper retirement system.
3. The Village does not incorporate budgeted receipts into the manual accounting records, to track budget versus actual revenue 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.

4. At December 31, 2017, the Village's Fire Fund had a negative fund balance of \$977. Ohio Rev. Code Section 5705.10(l) states that money paid into any fund shall be used only for the purposes for which such fund is established. The existence of a deficit fund balance indicates money from another fund or funds was used to pay obligations of funds that carry the deficit fund balance. The Village should monitor fund balances to provide that expenditures are made within appropriated levels of available funds and if negative fund balances are anticipated, the Village Council should consider an approved transfer or advance of funds to cover the necessary expenditure.
5. During November 2016, the Village received an estate receipt for \$5,000 that included the stipulation that this money was to be put into a Park Fund and could only be utilized for the care, maintenance, and improvement of the Village of Hollansburg Community Park. The Village did not establish a Park Trust fund but posted the revenue to the General Fund instead.

Current Status of Matters Reported in our Prior Engagement

Our prior audit for years ended December 31, 2015 and 2014 included three findings. One of the findings related to contributions to the Ohio Public Employees Retirement System (OPERS) for the Village's one hired employee. As noted in current observation #2 above, this finding has not been corrected. In addition, it was noted in the prior audit that the Village does not incorporate budgeted receipts into the manual accounting records. As noted in current observation #3 above, this finding has not been corrected. Lastly, the prior audit indicated that the Village's Fire fund had a negative fund balance at December 31, 2015. The Fire fund continued to have a negative fund balance as noted in current observation #4 above; this finding has not been corrected.



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VILLAGE OF HOLLANSBURG

DARKE 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
NOVEMBER 8, 2018