



Dave Yost • Auditor of State



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Village of Macksburg
Washington County
P.O. Box 166
Macksburg, Ohio 45746

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 Macksburg, Washington County, Ohio (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 does not maintain a budgetary accounting system to allow the comparison of budgeted receipts/disbursements to actual receipts/disbursements. Ohio Adm. Code Section 117-2-02(C) provides that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.
2. As of December 31, 2012 and 2011, the Village's Street Fund had a negative balance of \$9,219 and \$7,380, respectively. Ohio Rev. Code Section 5705.10(H) states that money paid into a fund must be used only for the purpose for which such fund has been established.
3. The Village did not adopt an annual appropriation measure for 2011 until March 17, 2011 and did not adopt an annual appropriation measure for 2012. Ohio Rev. Code Section 5705.38 states on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the County Budget Commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until April 1.

Current Year Observations (Continued)

4. Appropriations of \$36,250 exceeded estimated resources in the General Fund by \$26,930 for the year ended December 31, 2011. The Village did not file an appropriation measure or certificate of estimated resources in 2012. Ohio Rev. Code Section 5705.39 states that appropriations from each fund shall not exceed the total estimated resources.
5. The Village did not adopt an annual appropriation measure for 2011 until March 17, 2011 which resulted in expenditures exceeding appropriations in every fund for the period January 1 through March 17, 2011. Expenditures of \$44,569 exceeded appropriations by \$619 for the year ended December 31, 2011. In addition, the Village did not adopt an annual appropriation measure for 2012, which resulted in expenditures exceeding appropriations in every fund during 2012. Ohio Rev. Code Section 5705.41(B) prohibits a subdivision to expend money unless it has been appropriated.
6. We noted limited involvement by Village Council in monitoring Village budget versus actual information. The Village's small size requires governing board involvement with critical accounting processes (such as bank reconciliations) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft.
7. As required by law, the Village withholds federal and state taxes, Medicare, and social security from each employee of the Village based on required percentages (Medicare) and/or documentation submitted to the Fiscal Officer (state and federal taxes). The Fiscal Officer then submits these amounts, along with required Village contributions for Medicare, to the appropriate agency. As of July 1, 2013, we noted withholdings amounts were not yet determined and, therefore, not paid for the year ended December 31, 2012.

Current Status of Matters we Reported in our Prior Engagement

In addition to the budgetary matters repeated in items 1 – 6 above, the current status of matters reported in the prior engagement are as follows:

8. The prior audit for the years ended December 31, 2010 and 2009 included noncompliance with Ohio Rev. Code Section 9.38 for untimely deposits with the treasurer. All monies are received by the Fiscal Officer; therefore, this section is no longer applicable.
9. The prior audit for the years ended December 31, 2010 and 2009 included noncompliance with Ohio Rev. Code Section 5705.41(D) for expenditures not being prior certified. We have determined this was not corrected in 2011 and 2012.



Dave Yost
Auditor of State

Columbus, Ohio

July 18, 2013



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VILLAGE OF MACKSBURG

WASHINGTON 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
AUGUST 1, 2013**