



Dave Yost • Auditor of State



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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, 2013 and 2012.

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, 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 Section 117.11(A) is to examine, analyze and inspect these records and documents.

Current Year Observations

1. The Village is required to deduct retirement contributions from all employee compensation. Village employees are required to contribute to 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 Ohio Public Employees Retirement System (OPERS) from the Village's one hired 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.
2. We noted that General Fund Disbursements exceeded appropriations by \$2,653 for the year ended December 31, 2013. Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated. The Village should routinely monitor expenditures and appropriations and make necessary changes to either the budgeted amounts or the actual activity. Appropriations and or spending should be modified when potential violation is identified to help reduce the risk of deficit spending in order to remain compliant with the Code Section.
3. The Village does not incorporate budgeted receipts into the manual accounting records, to track budget versus actual 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. State income taxes withheld are due on the 15th of the subsequent month. The December 2013 state income taxes that were withheld by the Village were due on January 15, 2014. The Village remitted these withholdings on January 27, 2014. Failure to remit withholdings by the required date could result in fines and penalties being assessed.

Current Status of Matters we Reported in our Prior Engagement

Our prior audit for years ended December 31, 2011 and 2010 included three findings related to appropriations exceeding estimated resources, expenditures exceeding appropriations and a deficit fund cash balance in the General Fund. The Village appears to have corrected the findings related to appropriations exceeding estimated resources and deficit fund cash balance in the General Fund; however as noted in current observation #2 above, expenditures exceeding appropriations has not been fully corrected.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

April 4, 2014



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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
APRIL 17, 2014**