



Dave Yost • Auditor of State



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Village of Kettlersville
Shelby County
P.O. Box 144
Kettlersville, Ohio 45336

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 Kettlersville, Shelby County, (the Village) for the years ended December 31, 2014 and 2013.

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, 2014 or 2013.

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. Per Ohio Administrative Code Section 145-1-26-(G)(9), since the Council members are paid per meeting this is not earnable salary. Furthermore, per Ohio Administrative Code Section 145-1-53(B), these Council members are not public employees and are not eligible to contribute to Ohio Public Employees Retirement System (OPERS). All Council members contributed to Social Security during 2014, while all but one Council member contributed to Social Security during 2013. The Fiscal Officer should take procedures to verify that Council members contribute to Social Security and should withhold the required tax to be remitted to the IRS.
2. The Village did not withhold nor remit Federal, State or local income taxes from Council members, Mayor, or Fiscal Officer earnings. It was also noted that withholdings were not being remitted timely for social security and OPERS pension. Failure to withhold and remit withholdings in a timely manner could lead to fines or penalties being assessed by the IRS or other government agencies. The Village Fiscal Officer should verify that appropriate and proper withholdings are withheld and remitted timely to avoid possible interest or penalties being assessed.
3. The Village does not incorporate budgeted receipts into the manual accounting records, to track budget versus actual throughout the year. The Village Fiscal Officer 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.

Current Status of Matters we Reported in our Prior Engagement

Our prior engagement for the years ended December 31, 2012 and 2011 included three observations related to failure to withhold retirement from one council member, failure to remit withholdings timely and failure to include budgetary receipts in the manual accounting system. These items have not been fully corrected and were noted in the current observations above.

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

Dave Yost
Auditor of State

March 3, 2015



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VILLAGE OF KETTLERSVILLE

SHELBY 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
MARCH 17, 2015