



Dave Yost • Auditor of State



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Village of Yorkshire
Darke County
P.O. Box 567
Yorkshire, Ohio 45388

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 Yorkshire, Darke 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 and 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. We examined the bank reconciliation prepared as of December 31, 2014. The fiscal officer included the book balance as the bank balance and subtracted outstanding checks from this amount as well as from the cash journal fund balances. When the bank balance was included on the reconciliation and outstanding checks were subtracted from that balance, the recomputed book balance agreed to the cash journal at December 31, 2014.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. The fiscal officer should review the monthly bank reconciliation and verify that proper amounts are included to balance to the cash journal.

Also, the Village's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) 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.

2. We examined the Village's Ohio Water Development Authority (OWDA) debt activity for 2013 and 2014. OWDA paid on behalf of the Village an additional \$8,000 on their sewer construction loan in 2013, which was added to the overall loan balance. These on-behalf receipts and expenditures were not recorded in the manual receipt or appropriation ledgers in 2013. The fiscal officer should review transactions that are paid on their behalf by other agencies (i.e, OWDA) and record memo transactions to the manual accounting ledgers.
3. The Village did not incorporate budgeted receipts or appropriations into the manual accounting records, to track budget versus actual receipts and disbursements throughout the year. The Village should include estimated receipts and approved appropriations in the manual accounting records so that members of the Village Council can make informed decisions and avoid potential deficit spending.

Current Status of Matters we Reported in our Prior Engagement

4. Our prior audit engagement for the years ended December 31, 2012 and 2011 included findings related to the following; failure to properly certify expenditures in accordance with **Ohio Rev. Code Section 5705.41(D)(1)**, expenditures exceeded appropriations contrary to **Ohio Rev. Code Section 5705.41(B)** and appropriations exceeded certified estimated resources contrary to **Ohio Rev. Code Section 5705.39**. The Village appears to have corrected these matters for the years ended December 31, 2014 and 2013.
5. In addition to the above, our prior audit engagement for the years ended December 31, 2012 and 2011 also noted two findings related to the Village's financial reports and manual accounting ledgers contained errors resulting in reclassifications and adjustments contrary to **Ohio Rev. Code Section 733.28** and **Ohio Admin. Code Section 117-2-02(A)** and failure to implement the requirements of Governmental Accounting Standards Board (GASB) Statement No. 54. These matters appear to have not been corrected for the years ended December 31, 2014 and 2013.

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

April 1, 2015



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VILLAGE OF YORKSHIRE

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 16, 2015**