



Dave Yost · Auditor of State



Dave Yost • Auditor of State

Village of Butlerville
Warren County
Butlerville, Ohio

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 Butlerville, Warren 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. No Record of Appropriations or Certificate of Estimated Resources for 2013

We noted that there was no record of Council's approval of appropriations or the certificate of estimated resources for the year 2013. Ohio Rev. Code, Section 5705.38(A), requires that 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 no later than April 1. Further, Ohio Rev. Code, Section 5705.41(B), prohibits a subdivision from making any expenditure unless it has been properly appropriated.

Because the Village did not document approval of the 2013 appropriations and did not file 2013 appropriations with the County Auditor, all expenditures exceeded appropriations for 2013.

Also, the Village did not prepare and approve a 2013 certificate of estimated resources. Ohio Rev. Code, Section 5705.39 states that the total appropriations from each fund shall not exceed the total estimated revenue available for expenditure therefrom, as certified by the budget commission, or in the case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the County Auditor files a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed the total official estimate or amended official certificate.

Since there was no certificate of estimated resources for the year 2013, all appropriations for fiscal year 2013 exceeded estimated resources.

The Village's failure to obtain the required certifications was also reported in the 2012-2011 audit report.

2. Late Filing - Fiscal Year 2013 Tax Budget

We noted that the Tax Budget for 2013 was adopted on July 18, 2013 which is after the July 15 deadline. Ohio Rev. Code, Section 5705.28 (A) (1) states on or before July 15, of each year, the taxing authority of each subdivision or other taxing unit must adopt a tax budget for the succeeding fiscal year.

3. Late Filing – 2014 Financial Statements

We noted the Village filed their 2014 financial statements on February 22, 2016 which is past the March 2, 2015 deadline. ORC 117.38 states entities are required to file financial statements with the Auditor of State within 60 days after the close of the fiscal year.

Failure to timely file financial statements could result in penalties for the Village.

4. Not Posting Receipts Timely - Fiscal Year 2014

We noted that when we scanned the Village's 2014 cash receipt ledger the posting date compared to the transaction date had delays that ranged from one month to six months. This indicates receipts were not timely posted to the accounting system.

We recommend the Village strive to post items in a timely manner to provide accurate financial information to Village officials.

5. Lack of Supporting Documentation, Proper Statements and Missing or Incomplete Statements – Fiscal Year 2013

We noted for the fiscal year 2013 the overall lack of proper statements and supporting documentation, and missing or incomplete financial statements. Ohio Revised Code 149.351 (A) states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42 of the Revised Code. Those records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, destroyed, mutilated, or transferred unlawfully.

We recommend the Village maintain the books and records in a proper manner. This allows the Village to make accurate decisions regarding the Village's activities.

This issue was also reported in the 2012-2011 audit report.

6. Lack of Bank Reconciliations – Fiscal Year 2013

We noted for the fiscal year 2013 that there were no bank reconciliations completed for any of the individual months or at year end.

We recommend the Village complete bank reconciliations.

7. Lack of Receipt Journal and Lack of Supporting Documentation – Fiscal Year 2013

We noted for the fiscal year 2013 that a receipt journal was not provided; the Village provided an alternate report, the “Receipt Detail Report.” The report only provided information to August 31, 2013 and the posting date compared to the transaction date had gaps that ranged from one month to six months (see observation #5 above). In addition, the supporting documentation for the transactions noted on the Receipt Detail Report was not complete for certain transactions.

We recommend that the Village organize and maintain their records to provide an accurate record of the Village receipts. Failure to do so could result in overspending of the Village’s resources.

This issue was also reported in the 2012-2011 audit report.

8. No Check Register – Fiscal Year 2013

We noted in the fiscal year 2013 that no check register was provided. An alternate report, the “Fund Ledger Report” was used. The report only provided information to August 31, 2013. There is minimum supporting documentation (invoices, purchase orders) to support the non-payroll transactions noted within the Fund Ledger Report. Certain purchase orders were not authorized by the Fiscal Officer and signed by council members.

We recommend the Village organize and maintain their books and records to provide accurate information regarding expenditures the Village is making. Failure to do so could result in overspending the Village’s resources or incorrect/late payments to vendors.

This issue was also reported in the 2012-2011 audit report.

9. No Elected Officials Paid – Fiscal Year 2013

We noted in fiscal year 2013 that no elected officials were paid. The 2014 check register showed one yearly salary payment to elected officials for 2014. We were not provided with the 2013 W-2s.

10. No Withholdings or Remittances – Fiscal Years 2013 and 2014

We noted in fiscal years 2013 and 2014 no withholdings or supporting documentation for the remittance withholdings for Pension and Tax. We recommend that the Village consult with their legal counsel to determine if they are eligible and required to pay into OPERS or to submit W-2s.

This issue was also reported in the 2012-2011 audit report.

11. Lack of Supporting Documentation for Fiscal Officer Training – Fiscal Year 2014

We noted that a new fiscal officer was paid additional amounts in 2014. Upon inquiry, we learned that the Fiscal Officer attended a three day training and was reimbursed. The Village provided documentation of their approval of training related travel upon request; however, the Village could only provide documentation for \$456.56 of \$709.95 in travel related reimbursements made to the fiscal officer.

We recommend that the Village maintain all original receipts and documentation for expenditures.

Current Status of Matters We Reported in our Prior Engagement

1. As noted in the observations above, the Village has taken no corrective action on the certain issues identified in the prior audit report for the years ended December 31, 2012 and 2011. Also, the Village has not corrected weaknesses related to the lack of effective monitoring/oversight.



Dave Yost
Auditor of State

Columbus, Ohio

August 18, 2016



Dave Yost • Auditor of State

VILLAGE OF BUTLerville

WARREN 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.

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 20, 2016