



Dave Yost • Auditor of State





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Village of Hoytville  
Wood County  
2418 South Main Street  
P.O. Box 135  
Hoytville, Ohio 43529-0135

To the Village Council:

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 Hoytville, Wood County, Ohio (the Village) for the years ended December 31, 2015 and 2014.

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, 2015 or 2014.

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, 2015. It included an unexplained variance of \$159, which results in bank balances exceeding fund balances by this amount. The fiscal officer was unable to determine what this amount represented. The minutes indicated Village Council review of the bank reconciliation; however, no discussion was noted of the unexplained reconciling item.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The fiscal officer should review transactions recorded since the last reconciliation and correct the error.

Also, the Village's small size requires Village Council's involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties. These reviews should include verification of the Village's bank balances and reconciling items listed on the bank reconciliation to supporting documentation. The lack of a detailed review is a weakness in internal accounting control, which could result in inaccurate cash balances, or even undetected theft.

2. We reviewed the expenditures made by the Village in payment of the debt procured during 2014. The principal and interest amounts were agreed back to the billing statements from the bank; however, the fiscal officer was unable to provide an amortization schedule for the life of the loan. We were unable to verify that the distribution of principal and interest paid by the Village was appropriate. The lack of an amortization schedule may result in the Village paying additional amounts of interest than agreed upon with the bank. We recommend the Village obtain an amortization schedule from their bank.

#### **Current Status of Matters we Reported in our Prior Engagement**

The prior audit for the years ended December 31, 2013 and 2012 included material adjustments to the General, Lighting, Tree, and Sewer Operating Funds. The adjustments were completed during the course of the prior audit. In the current audit, the issue was corrected and the Village's revenue was placed in the proper funds.



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August 9, 2016



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VILLAGE OF HOYTVILLE

WOOD 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 23, 2016