





# OHIO AUDITOR OF STATE KEITH FABER



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## BASIC AUDIT REPORT

Village of Gilboa  
Putnam County  
P.O. Box 602  
Ottawa, Ohio 45875-0602

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 Gilboa, Putnam County, Ohio (the Village) for the years ended December 31, 2021 and 2020.

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, 2021 and 2020.

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.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

### Current Year Observations

1. We noted the Village inappropriately recorded \$25,001 from the sale of a bus garage in the General Fund in 2021. **Ohio Rev. Code § 5705.10(F)** requires revenue received from the sale of a permanent improvement to be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements. **Ohio Rev. Code § 5705.01(E)** defines "permanent improvement" to mean "any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more."

Given the source of the revenue, this should have been recorded in the Permanent Improvement Fund or another fund authorized by **Ohio Rev. Code § 5705.10(F)**. Audit adjustments are reflected in the accounting records correcting the misstatement. The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

2. We noted the Village did not file their 2020 Annual Financial Report timely. **Ohio Rev. Code § 117.38** provides that each public office, other than a state agency, shall file a financial report for each fiscal year. The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year. At the time the report is filed with the auditor of state, the chief fiscal officer shall publish notice in a newspaper published in the taxing district. The notice shall state the financial report has been completed by the public office and is available for public inspection at the office of the chief fiscal officer.

The Village did not file the 2020 annual report until July 29, 2021. Failure to file by the required date could result in penalties of \$25 per day up to maximum of \$750. The Village should take the necessary steps to ensure the financial report is prepared completely in accordance with Auditor of State Bulletin 2015-007 and filed within the sixty day time frame.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 22, 2022

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF GILBOA**

**PUTNAM COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 9/6/2022**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)