



Dave Yost • Auditor of State



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Village of Ithaca
Darke County
P.O. Box 131
611 Main St.
Arcanum, Ohio 45304

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 Ithaca, Darke County, (the Village) for the years ended December 31, 2012 and 2011.

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, 2012 or 2011.

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 withheld social security pension and Medicare tax from officials. It was noted that withholdings were not being remitted timely for the social security pension and Medicare tax. Failure to remit withholdings in a timely manner could lead to fines or penalties being assessed by the IRS. The Village should verify with withholdings are remitted timely to avoid possible interest or penalties being assessed.
2. The Village does not incorporate budgeted receipts or appropriations into the manual accounting records, to track budget versus actual throughout the year. The Village should include estimated receipts and appropriations 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 audit for the years ended December 31, 2010 and 2009 included two findings related to financial reports not agreeing to the underlying manual accounting ledgers resulting in reclassifications and adjustments, and failure to properly encumber transactions. The Village has not appears to have corrected the previous findings related to accuracy of the financial reporting and properly encumbering transactions prior to the obligation during our current year observation.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

April 30, 2013

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402

Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688

www.ohioauditor.gov

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VILLAGE OF ITHACA

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
MAY 23, 2013