



**VILLAGE OF GRATIOT
LICKING COUNTY**

BASIC AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013



Dave Yost • Auditor of State



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Village of Gratiot
Licking County
P.O. Box 379
Gratiot, Ohio 43470

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 Gratiot, Licking County, Ohio (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.

Based on the results of our procedures, we found four issues to report.

Current Year Observations

1. The Village approved General Fund appropriations of \$19,527, which exceeded estimated resources by approximately \$4,717 for the year ended December 31, 2014. Ohio Rev. Code Section 5705.39 limits appropriations to estimated resources. By appropriating amounts greater than estimated resources, the Village has potentially authorized deficit spending. The Village should reduce appropriations to the amount of estimated resources.
2. The Village did not utilize a receipts ledger or appropriations ledger to track budgeted to actual receipts and expenditures. The Village should utilize receipts and appropriation ledgers in accordance with Administrative Code Sections 117-2-02(D)(2) and 117-2-02(D)(3), respectively.
3. The Village did not certify the availability of funds prior to the purchase commitment for all expenditures. The Village Fiscal Officer should certify all disbursements or issue "Then and Now Certificates" requiring certification in accordance with Ohio Rev. Code Section 5705.41(D).
4. The Village did not withhold Ohio Public Employees Retirement for a part-time employee. We also noted that rather than withholding monies for OPERS for retirement, the Village withheld and paid into Social Security for its employees. Although elected officials can opt out of OPERS, the Village does have one part-time employee. Ohio Rev. Code 145.03(A) states that a public employees retirement system is hereby created for the public employees of the state and of the several local authorities mentioned in section 145.01 of the Revised Code. Except as provided in division (B) of this section, membership in the system is compulsory upon being employed and shall continue as long as public employment continues.

We recommend the Clerk/Treasurer ensure the Village's employee participates in the OPERS retirement system.

Current Year Observations (Continued)

5. The Village did not withhold State income tax due to the small amount of salaries paid to its employees. Ohio Rev. Code 5747.06(A) states that except as provided in division (E)(3) of this section, every employer, including the state and its political subdivisions, maintaining an office or transacting business within this state and making payment of any compensation to an employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a tax. The employer shall deduct and withhold the tax on the date that the employer pays the compensation to the benefit of, the employee.

We recommend the Clerk/Treasurer withhold and remit all state income tax, regardless of the amount of the employees' or officials' salary.

Current Status of Matters We Reported in our Prior Engagement

Items 2 through 5 noted above, were also communicated in the prior audit for the years ended December 31, 2012 and 2011.



Dave Yost
Auditor of State

Columbus, Ohio

May 7, 2015



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VILLAGE OF GRATIOT

LICKING 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 19, 2015