



Dave Yost • Auditor of State



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Village of Hollansburg
Darke County
PO Box 48
Hollansburg, Ohio 45332

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 Hollansburg, Darke County, (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 and 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. The Village is required to deduct retirement contributions from all employee compensation. Village employees are required to contribute to Ohio Public Employees Retirement System (OPERS). The Village is then responsible to contribute the employer share to the retirement system. The Village withheld and remitted social security rather than Ohio Public Employees Retirement System (OPERS) from the Village's one hired employee. The Fiscal Officer should take procedures to verify that all employees are paid from the appropriate retirement system. Employee and employer contributions should then be remitted to the proper retirement system.
2. The Village does not incorporate budgeted receipts into the manual accounting records, to track budget versus actual throughout the year. The Village should include estimated receipts in the manual accounting records so that members of council and other officials can make informed decisions and avoid potential deficit spending.
3. At December 31, 2015, the Village's Fire Fund had a negative fund balance of \$722. Ohio Rev. Code Section 5705.10(l) states that money paid into any fund shall be used only for the purposes for which such fund is established. The existence of a deficit fund balance indicates money from another fund or funds was used to pay obligations of funds that carry the deficit fund balance. The Village should monitor fund balances to provide that expenditures are made within appropriated levels of available funds and if negative fund balances are anticipated, the Village Council should consider an approved transfer or advance of funds to cover the necessary expenditure.

Current Status of Matters we Reported in our Prior Engagement

Our prior audit for years ended December 31, 2013 and 2012 included four findings. One of the findings related to General Fund disbursements exceeding appropriations and one finding related to the Village not paying state income taxes in a timely manner. The Village appears to have corrected these findings. In the prior audit, there was one finding related to contributions to the Ohio Public Employees Retirement System (OPERS) for the Village's one hired employee. As noted in current observation #1 one above, this finding has not been corrected. In addition, it was noted in the prior audit that the Village does not incorporate budgeted receipts into the manual accounting records. As noted in current observation #2 above, this finding has not been corrected.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

July 20, 2016



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VILLAGE OF HOLLANSBURG

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
AUGUST 4, 2016**