



Dave Yost • Auditor of State



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Village of Rendville
Perry County
3322 Township Road 217 NE
New Lexington, Ohio 43764

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Village of Rendville, Perry County, Ohio (the Village), for the years ended December 31, 2017 and 2016.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 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, 2017 and 2016.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 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. *State ex rel. McClure v. Hagerman*, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

During 2017, the Village Fiscal Officer, Patricia Trisler, issued payments to herself from Village monies totaling \$400 for supplies and travel; however, documentation supporting these payments totaled only \$270. Furthermore, during 2016, the Fiscal Officer issued payments to herself from Village monies totaling \$740 for supplies and travel; however, documentation supporting these payments totaled only \$472. Total unsupported payments made to the Fiscal Officer during the period were \$398. In the absence of supporting documentation, it could not be determined whether any of these transactions were actually made for proper public purposes relating to Village business.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Patricia Trisler and her bonding company, Auto-Owners Insurance, in the amount of \$398, and in favor of the Village of Rendville General Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditures is strictly liable. *Seward v. National Surety Corp.* (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code § 9.39; *State ex. rel. Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228.

Current Year Observations (Continued)

1. *State ex rel. McClure v. Hagerman*, 155 Ohio St. 320 (1951) (Continued)

Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Att'y Gen. No. 80-074.

Mayor Bryan Bailey, Sr., co-signed the checks for the payments to Ms. Trisler. Accordingly, Bryan Bailey, Sr., and his bonding company, Auto-Owners Insurance, will be jointly and severally liable in the total amount of \$398, and in favor of the Township's General Fund.

On November 27, 2018, the Village entered into a settlement agreement and payment plan with Patricia Trisler. Ms. Trisler will make 15 monthly payments, beginning January 3, 2019, in the amount of \$25 and one monthly payment in the amount of \$23 on April 3, 2020.

Reimbursements should only be made when evidenced by appropriate supporting documentation. Supporting documentation should be maintained by the Fiscal Officer in accordance with record retention policies for each disbursement including a voucher with the original invoice attached, and any other supporting documentation applicable to the disbursement. Vouchers should not be approved by the Village Council unless the original invoice is attached in order to ensure amounts paid agree to the applicable supporting documentation and that supporting documentation is present.

2. We noted General Fund appropriations of \$5,855 exceeded estimated resources on the Village's Amended Certificate of Estimated Resources by \$981 for the year ended December 31, 2017. Ohio Rev. Code § 5705.39 limits appropriations to estimated resources. Because appropriations authorize spending, appropriating more than estimated resources potentially authorizes deficit spending. The Fiscal Officer and Village Council should monitor appropriations to ensure appropriations are limited to certified estimated resources.

Current Status of Matters we Reported in our Prior Engagement

1. We noted the Village Fiscal Officer received multiple checks for reimbursement for fuel, office supplies and travel expenses for training attended during the year. During 2017, the Village Fiscal Officer received reimbursements totaling \$400 but we only noted documentation supporting these payments (invoices) totaling \$270. During 2016, the Village Fiscal Officer received reimbursements totaling \$740 but we only have documentation supporting these payments (invoices) totaling \$472. Without appropriate documentation we cannot determine that these funds were being utilized for expenditures which represented proper public purposes of the Village. The Fiscal Officer should maintain supporting documentation, including invoices, for all Village expenditures.
2. At December 31, 2017, the General Fund had a negative fund cash balance of \$1,366. The Village should monitor fund cash balances to ensure that expenditures are limited to the available cash balance on hand.
3. Ohio Rev. Code § 5705.28 states, in part, that on or before July 15 in each year, the taxing authority of each subdivision or other taxing unit must adopt a tax budget for the succeeding fiscal year. There was no evidence from our review of the Village's minutes that a tax budget was adopted for 2017. We noted a tax budget for 2016 was not adopted until August 24, 2016. The Village should adopt the tax budget each year as required.
4. Ohio Rev. Code § 5705.34 requires the Village to pass a resolution authorizing the necessary tax levies and to certify the levies to the County Auditor before October 1 of the preceding fiscal year.

Current Status of Matters we Reported in our Prior Engagement (Continued)

There was no evidence from our review of the Village's minutes that the required resolution was adopted or certified for either 2017 or 2016. The Village should adopt the required budgetary resolution each year.

5. Ohio Rev. Code § 121.22(C) states, in part, that the minutes of a regular or special meeting of any public body shall be promptly prepared, filed, and maintained and shall be open to public inspection. During our review we noted that during the two year period, 2017 and 2016, there were very few meeting minutes. In addition, we noted that the minutes were not always signed by the Fiscal Officer and/or the Mayor and were not all presented for audit. This can cause items pertaining to the Village to go unseen by the Mayor and/or Council Members if regular meetings are not held and if minutes are not signed. We recommend the Village Council hold periodic meetings with all proceedings and actions taken at these meetings documented in the minutes.
6. Ohio Admin. Code § 117-2-02(D)(4)(a) requires that all local public offices should maintain or provide payroll records including:
 - W-2 forms, W-4 forms and other withholding records and authorizations.
 - Payroll journal that records, assembles and classifies by pay period the name of each employee, employee's identification number, hours worked, wage rates, pay date, withholdings by type, net pay, and other compensation paid to an employee (such as termination payment), and the fund and account charged for the payments;
 - Check register that includes, in numerical sequence, the check number, payee, net amount and the date;
 - Information regarding non-monetary benefits, if applicable, such as car usage and life insurance; and;
 - Information, by employee, regarding leave balances and usage, if applicable.

During our review of the Village's payroll system, we noted the following conditions:

- An ordinance, or Council action taken in the minutes, was not provided for audit to support the amount to be paid to Council members, the Mayor, or the Fiscal Officer.
- Not all meeting minutes were provided for audit, which was necessary to determine the annual pay amount due to each council member.
- Personnel files were not established for each employee/official.
- No tax withholdings or remittances were made in 2017 or 2016.
- Retirement withholdings were not made or remitted for the Fiscal Officer in 2017 or 2016.
- No IT-4 Forms were on file for Village employees/officials.

These conditions could result in officials/employees being compensated incorrectly, incorrect W-2 forms, late penalties and interest being incurred by the Village. Other errors or irregularities could also occur and remain undetected. The Village should take steps to ensure compliance with the aforementioned requirements.



Dave Yost
Auditor of State
Columbus, Ohio

November 29, 2018

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VILLAGE OF RENDVILLE

PERRY 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
DECEMBER 13, 2018**