



OHIO AUDITOR OF STATE
KEITH FABER



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Village of Lewisville
Monroe County
46089 State Route 145
Lewisville, OH 43754

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 Lewisville, Monroe County, Ohio (the Village), for the years ended December 31, 2018 and 2017.

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, 2018 and 2017.

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 Status of Matters Reported in our Prior Engagement

1. Ohio Rev. Code § 117.38 states each public office 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. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension. The Village filed its 2018 and 2017 annual financial report on August 5, 2019 and August 2, 2019, respectively. No extension was obtained for either year. Our prior engagement noted the Village failed to file their 2016 and 2015 annual financial report within the allotted 60 days. The Village should submit the Annual Financial Report each year in accordance with the aforementioned requirements.
2. We noted that General Fund expenditures of \$29,328 exceeded appropriations of \$0 by \$29,328 for the year ended December 31, 2018. This was due to Village Council not passing a 2018 appropriation measure. Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated. The Village's failure to limit expenditures to the amounts appropriated could result in deficit spending. Our prior engagement noted the Village failed to approve their annual appropriations for 2016 and 2015. The Village Council should adopt an annual appropriation measure.
3. Ohio Rev. Code § 5705.10(C) states all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made. Ohio Rev. Code § 5735.28 states motor vehicle registration, cents-per-gallon and gasoline tax monies are to be paid into the Street Construction Fund unless the Village is on the line of the state highway system as designated by the director of transportation and then 7.5% of the amount paid to any village shall be receipted into the State Highway Fund.

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

3. Ohio Rev. Code § 5705.10(C) (Continued)

During 2018 and 2017, we noted that these types of receipts were not always posted to the correct fund or allocated correctly. In 2018, receipts posted to the General Fund in the amount of \$1,205 should have been posted to the Street Construction and State Highway Funds, in the amounts of \$1,078 and \$127, respectively. In 2017, receipts posted to the General Fund in the amount of \$6,425 should have been posted to the Street Construction and State Highway Funds, in the amounts of \$6,161 and \$264, respectively. These adjustments, which management agreed, were posted to the Village's accounting system. Our prior engagement noted the Village did not post receipts to the correct funds in 2016 and 2015, and the adjustments were made accordingly and reflected on the financial statements.

4. 26 CFR § 3101 (b)(1) states "there is hereby imposed on the income of every individual a tax equal to 1.45 percent of the wages (as defined in § 3121(a)) received by him with respect to employment (as defined in § 3121(b))." The Village did not withhold Medicare taxes for employee and employer share of wages paid to the officials for 2018 and 2017. Our prior engagement noted the Village failed to withhold and remit Medicare taxes for 2016 and 2015. The Village should withhold employer and employee share of Medicare taxes for all employees' wages.

5. The Village had outstanding checks on the December 31, 2018 bank statement in the amount of \$4,818.89. All of these checks are at least a year old, some dating back to 2014. Our prior engagement noted the Village had old outstanding checks on their 2016 and 2015 year end reconciliations. The Village should follow up on old outstanding checks and establish a time period after which these checks are to be removed from the outstanding check list and either re-issued or voided.



Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2019

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LEWISVILLE

MONROE 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
OCTOBER 8, 2019