



OHIO AUDITOR OF STATE
KEITH FABER





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BASIC AUDIT REPORT

Village of Chilo
Clermont County
P.O. Box 23
Chilo, Ohio 45112

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 Chilo, Clermont County, (the Village) for the years ended December 31, 2023 and 2022.

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, 2023 and 2022.

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 the following significant compliance or accounting issues to report.

Current Year Observations

1. **Ohio Rev. Code § 5705.09** requires a subdivision to establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. The Village received two federal receipts totaling \$3,537 passed through the State of Ohio for funding under the State and Local Fiscal Recovery Fund federal grant that was comingled with funding from the Coronavirus Relief Fund federal grant. The Village should record each federal grant in a separate special revenue fund.
2. **Ohio Rev. Code § 149.43(E)(2)** requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

The Village does not have written acknowledgement of receipt of the public records policy by the records custodian/manager and does not have a poster describing the policy displayed in a conspicuous place in all locations where the public office has branch offices.

The policy shall be distributed to the records custodian/manager and the Village should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in all of the Village's branch

offices and the public records policy must be included in policy manuals or handbooks if any exist. Our prior engagement also noted the lack of custodian acknowledgement and lack of poster.

3. **Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1)** require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training.

All of the Village's elected officials with terms ending in 2023 and 2022, did not, during their term of office, attend a required Certified Public Records Training or have an appropriate designee attend a training, due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders. The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training. Our prior year report also reported this noncompliance.

4. We noted the Village did not withhold state income tax from employee paychecks. The Village stated that due to the small payroll amounts that officials had elected to pay their state income tax when they filed their personal tax returns. This was not documented in the Village records or minutes. Failure to properly withhold and remit payroll withholdings could result in penalties and late fees.

The Village should withhold and remit state income taxes for each payroll disbursement. Our prior year report also reported this deficiency in withholding state income tax.

5. The Village did not maintain underlying documentation and support for two disbursements posted to the accounting ledgers. These disbursements were for reimbursements to elected officials totaling \$155 and \$98.

The Village should maintain all invoices and related supporting documentation for all financial transactions to support all transactions posted to the accounting ledgers were for proper public purposes.

6. Pursuant to HB No. 481, 133rd G.A., Section 27(F)(1), as amended by HB No. 614, 133rd G.A., not later than September 30, 2022, the fiscal officer of each subdivision shall pay the unencumbered balance of money in the subdivision's local coronavirus relief fund to the county treasurer. The Village had an unencumbered balance of coronavirus funding of \$2,813 as of December 31, 2023 and 2022. No expenditures were made from this fund. The unencumbered balance of money was not returned to the county treasurer by September 30, 2022.

The Village should remit the unencumbered balance of coronavirus funding to the county treasurer.

Current Status of Matters Reported in our Prior Engagement

1. In addition to the observations in item #2 above, the prior engagement also reported that the Village did not have a records retention schedule and therefore could not make it readily available to the public in violation of **Ohio Rev. Code § 149.43(B)(2)**. The Village now has a records retention schedule available.

2. In addition to the observations in item #2 above, the prior engagement also reported that the Village failed to have a policy in place for responding to public records requests in violation of **Ohio Rev. Code § 149.43(E)(2)**. The Village now has a public records policy.



Keith Faber
Auditor of State
Columbus, Ohio

February 14, 2025

OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF CHILO
CLERMONT COUNTY**

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 3/4/2025

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This report is a matter of public record and is available online at
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