



Dave Yost • Auditor of State



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Village of Hemlock
Perry County
8810 E. Main Street
Hemlock, Ohio 43730

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 Hemlock, Perry County, Ohio (the Village), for the years ended December 31, 2012 and 2011.

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, 2012 or 2011.

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. Our review of receipts noted that 2011 and 2012 tax settlements were posted at the net amount received, rather than at the gross settlement amount. This resulted in receipts and disbursements being understated for the year. We recommend the Village Fiscal Officer record all tax settlements at the gross amount received. The corresponding fees charged to the Village should be posted as memorandum disbursements.
2. We noted that General Fund disbursements of \$8,446 exceeded appropriations by approximately \$946 for the year ended December 31, 2012. Ohio Rev. Code Section 5705.41(B) states, in part, that no subdivision or taxing unit is to expend money unless it has been appropriated. Amendments to appropriations should be approved by the Village Council and submitted to the County Auditor. The Village Fiscal Officer should deny any payment that would cause expenditures to exceed appropriations. The prior audit also reported this deficiency.

Current Status of Matters we Reported in our Prior Engagement

The prior audit for the years ended December 31, 2010 and 2009 noted that not all disbursements were properly certified prior to purchase commitment. Ohio Rev. Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto.

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

No corrective actions have been made during the current period to ensure that the Village properly certifies the availability of funds prior to purchase commitment. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend the Village Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village.

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

March 28, 2013



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VILLAGE OF HEMLOCK

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
APRIL 9, 2013