



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

Village of Newtonsville  
Clermont County  
P.O. Box 245  
745 Wright Street  
Newtonsville, Ohio 45158

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 Newtonsville, Clermont County, Ohio (the Village) for the years ended December 31, 2013 and 2012.

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 Government 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, 2013 or 2012.

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. We noted that General Fund expenditures plus year-end encumbrances exceeded appropriations by approximately \$13,336 for the year ended December 31, 2013. Ohio Rev. Code Section 5705.41(B) prohibits a subdivision from making expenditures unless it has been properly appropriated. We also noted purchase orders are not used to encumber expenditures to monitor appropriation versus expenditures.

We recommend appropriations be increased when the Village determines expenditures plus encumbrances will exceed current appropriations and the Village begin issuing purchase orders to properly encumber expenditures.

2. Contributions to the Ohio Public Employees Retirement System (OPERS) are being deducted from the employees' gross pay; however, they were not remitted to OPERS during 2013. Per the OPERS website, the report of retirement contributions, member and employer contributions are all due 30 days after the end of the reporting period. The reporting period is based upon the employer's reporting frequency which can be bi-weekly, monthly, quarterly, semi-annually or annually, as well as an individual member's pay frequency.

We recommend the Village file the necessary contributions when payroll is calculated each month.

3. During 2013, the Village did not perform monthly bank to book reconciliations and did not track fund balances. Without proper internal controls over the fund balances and the reconciliation of cash, unidentified accounting errors could occur.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The Village should review transactions recorded since the last reconciliation and correct any errors.

Also, the Village's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft.

We recommend the Village reconcile monthly to ensure errors are identified timely. This will assist management in making informed financial decisions. We also recommend that the Village track fund balances to monitor and avoid negative fund balances.

4. Ohio Rev. Code §117.38 requires that cash-basis entities must file annual reports with the Auditor of State within sixty days after the close of the fiscal year. The Auditor of State may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office. Any public office not filing the report by the required date shall pay a penalty of \$25 for each day the report remains unfiled, not to exceed \$750. The Auditor of State may waive these penalties, upon the filing of the past due financial report.

The report shall contain the amount of: (A) receipts, and amounts due from each source; (B) expenditures for each purpose; (C) income of any public service industry that the entity owns or operates, as well as the costs of ownership or operation; and (D) public debt of each taxing district, the purpose of the debt, and how the debt will be repaid.

The Village did not file an annual report with the Auditor of State as required for 2012 or 2013. We recommend that the Village file the required annual financial reports with the Auditor of State within the prescribed timeframe.



**Dave Yost**  
Auditor of State

Columbus, Ohio

November 6, 2014



# Dave Yost • Auditor of State

**VILLAGE OF NEWTONSVILLE**

**CLERMONT 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  
NOVEMBER 25, 2014**