



Dave Yost • Auditor of State



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Village of Dexter City
Noble County
P.O. Box 62
125 Jefferson Street
Dexter City, Ohio 45727-0056

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 Dexter City, Noble County, (the Village) for the years ended December 31, 2016 and 2015.

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, 2016 and 2015.

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.

Current Year Observations

1. The Village did not maintain a budgetary accounting system to allow the comparison of budgeted receipts/disbursement to actual receipts/disbursements. Ohio Admin Code § 117-2-02(C) provides that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances or appropriations. Our prior audit also reported this deficiency.
2. The General Fund appropriations of \$23,050 exceed estimated resources by approximately \$7,219 for the year ended December 31, 2016. Ohio Rev. Code § 5705.39 limits appropriations to estimated resources. Because appropriations authorize spending, appropriating more than estimated resources potentially authorizes deficit spending. The Village should reduce appropriations to the amount of estimated resources. Our prior audit also reported this deficiency.
3. The Walking Track Fund had a negative fund balance at December 31, 2016 in the amount \$3,087. Ohio Rev. Code § 5705.10(I) states money paid into any fund shall be used only for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another fund. Our prior audit also reported this deficiency.

Current Year Observations (Continued)

4. The Village should send OPERS a *Personal History Record (Form A)* to OPERS for the part-time employee or submit an *Independent Contractor/Employee Determination For Worker (PED-1EE)* and *Independent Contractor/Employee Determination for Employer (PED-1ER)* if the Village feels the part-time worker is an independent contractor. Our prior audit also reported this deficiency.
5. The Mayor's yearly salary of \$1,800 was charged to the Village's Street Maintenance and Repair Fund in 2015 and half of his salary or \$900 was charged to the Village's Street Maintenance and Repair Fund in 2016. The Mayor is considered the chief executive to the Village and a portion of his salary must be paid from the General Fund. Further, the Mayor should maintain a time sheet that documents the portion of his time spent working on the streets of the Village. Our prior audit also reported this deficiency.
6. Monthly bank reconciliations were performed by the Fiscal Officer; however, the bank reconciliations were not accurate and complete. We also found the Fiscal Officer did not post \$223 of interest from the Village's certificate of deposit to the Village's ledgers once the certificate of deposit was matured. The Fiscal Officer needs to perform complete and accurate reconciliations monthly. The Fiscal Officer should also record the \$223 in interest to the Village's ledgers.
7. Ohio Rev. Code § 117.38 states entities filing on a cash-basis must file annual reports with the Auditor of State within 60 days of the fiscal year-end. The Village did not file its 2016 financial statements and notes to the financial statements until April 17, 2017, which was forty-eight days after the deadline. The Village should make a complete filing within 60 days of the fiscal year-end.
8. The Village's cashbook reflected check number 7485 as being split between the Street Maintenance and Repair Fund and State Highway Fund in the amounts of \$247.84 and \$100, respectively. According to the bank statement check number 7485 cleared the bank for \$247.84; therefore, the Village's cashbook balance is overstated by \$100. The Fiscal Officer should reduce either the Street Maintenance and Repair Fund or the State Highway Fund by \$100.



Dave Yost
Auditor of State
Columbus, Ohio

May 31, 2017



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VILLAGE OF DEXTER CITY

NOBLE 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
JUNE 15, 2017