



Dave Yost • Auditor of State



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Village of Jacksonburg
Butler County
4610 Middletown Oxford Road
Middletown, OH 45042

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 Jacksonburg, Butler 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 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, 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 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 §117.38** requires entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year.

For the year ending December 31, 2015 the filing deadline was February 29, 2016. For the year ending December 31, 2016 the filing deadline was March 1, 2017. The Village filed both the 2015 and 2016 annual reports on the HINKLE system on July 31, 2017 which resulted in a late filing for both years.

We recommend that the Village use due care in ensuring that filing deadlines are met for each fiscal year.

2. **Ohio Admin. Code § 117-2-02(A)** requires governments to maintain an accounting system and accounting records sufficient to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance related legal and contractual requirements and prepare financial statements as required by Ohio Admin. Code § 117-2-03. Per Ohio Admin. Code § 117-2-02(D), accounting records that can help achieve these objectives include:

1. Cash journal, which typically includes the amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
2. Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund.
3. Appropriation ledger, which assembles and classifies disbursements into separate accounts, for at a minimum, each account listed in the appropriation resolution.

The Village maintained a receipt ledger during the audit period; however, the ledger did not include estimated receipts and declining balances. The receipt ledger was not reconciled to the cash journal for 2015 or 2016. The receipt ledger did not utilize account classifications to facilitate preparation of the Village's annual financial report. The Village also maintained an appropriation ledger during the audit period to record disbursements; however, the ledger did not include appropriations, encumbrances, and declining unencumbered appropriation balances. The appropriation ledger did not utilize account classifications to facilitate preparation of the Village's annual financial report.

The annual financial report was prepared using the receipts and appropriations ledgers while the cash journal was used for the end of the year bank reconciliations. The Village should agree the cash ledger to the receipts and appropriations ledger so that transactions are properly recorded in all ledgers. All of these conditions exhibit a lack of control over the recording and reporting of the Village's financial activity.

We recommend the Village reconcile the cash journal to the bank, the receipt ledger, and the appropriation ledger on a monthly basis. We also recommend that the Village incorporate estimated receipts and appropriations within the ledgers and monitor these amounts on a regular basis. Implementation of these procedures will add a substantial measure of control to the receipt and expenditure process, as well as provide assurance that the activity is properly handled and fairly presented on the Village's ledgers and financial reports. This was also reported in the prior audit report.

Current Status of Matters we Reported in our Prior Engagement

1. The prior basic audit engagement for the years ended December 31, 2014 and 2013 included the following matters:
 - For the years ended December 31, 2014 and 2013, we noted that the General Fund disbursements plus encumbrances of \$30,835 exceeded appropriations of \$26,625 for the year ended December 31, 2013. The Village of Jacksonburg corrected this matter during 2016 and 2015.
 - For the years ended December 31, 2014 and 2013, we noted that General Fund appropriations of \$19,118 exceeded estimated resources of \$0 for the year ended December 31, 2014. We further noted that the Village did not obtain the required certification from the County Auditor for fiscal year 2014. The Village of Jacksonburg corrected this matter during 2016 and 2015.
 - For the years ended December 31, 2014 and 2013, we noted that the Village had the following issues related to their accounting records:
 - The receipts ledger did not include estimated receipts and a declining balance for monitoring the budget
 - The receipt ledger was not reconciled to the cash ledger
 - The receipt ledger did not include account classifications for annual report compilation
 - The appropriation ledger did not include appropriation, encumbrances, and declining unencumbered appropriation balances for budget monitoring
 - The appropriation ledger did not include account classifications for annual report compilation
 - The receipt ledger and appropriation ledger was not reconciled to the cash journal

The Village of Jacksonburg did not correct this matter during 2016 and 2015. See item 2 above

- For the years ended December 31, 2014 and 2013, we noted that the Village was not keeping a payroll ledger which showed each employees pay from gross to net with the necessary withholdings. The Village of Jacksonburg corrected this matter during 2016 and 2016.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

Columbus, Ohio

August 28, 2017

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VILLAGE OF JACKSONBURG

BUTLER 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
SEPTEMBER 7, 2017