



Dave Yost • Auditor of State



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August 15, 2018

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, 2017 and 2016.

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, 2017 and 2016.

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. We noted that the Village did not file their 2016 and 2017 annual reports in a timely manner. Ohio Rev. Code § 117.38, states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension.

The Village filed its 2016 annual report on March 4, 2016 and no extension was obtained. The Village filed its 2017 annual report before the deadline but failed to include footnotes to the financial statements. The Village re-filed its 2017 annual report, including footnotes, on July 13, 2018. Failure to file an annual report in the required time frame could result in a penalty of twenty-five dollars for each day the report remains unfiled, not to exceed seven hundred fifty dollars. The Auditor of State may waive these penalties, upon the filing of the past due financial report. Additionally, the lack of an annual report could result in auditing difficulties.

We recommend the Village file its annual report at the end of each fiscal year within the allotted timeframe with the Auditor of State's Office.

2. We noted the Village did not withhold state income tax, Medicare tax, and Ohio Public Employees Retirement System (OPERS) contributions from employee paychecks. The Fiscal Officer reimbursed the Village for Social Security and Medicare in December 2017. Failure to properly withhold and remit payroll withholdings could result in penalties and late fees.

We recommend the Village withhold and remit state income taxes and Medicare taxes for each payroll disbursement. We further recommend the Village contact OPERS to obtain a determination whether the Village's employees are subject to OPERS withholdings.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

August 15, 2018



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VILLAGE OF CHILO

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
SEPTEMBER, 11 2018