



**VILLAGE OF ITHACA
DARKE COUNTY**

**REPORT ON PROCEDURES PERFORMED
OHIO REVISED CODE SECTION 703.34**

OHIO AUDITOR OF STATE
KEITH FABER

**VILLAGE OF ITHACA
DARKE COUNTY**

TITLE	PAGE
Independent Accountants' Report.....	1
Conclusion	9

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE KEITH FABER



Local Government Services
65 East State Street
Columbus, Ohio 43215-4209
614-466-4717 or 800-345-2519
ContactLGS@ohioauditor.gov

INDEPENDENT ACCOUNTANTS' REPORT

Lyla McCoy, Mayor
Village of Ithaca
611 Main Street
Ithaca, Ohio 45304

Ohio Revised Code Section 703.34(B) reads, in pertinent part:

If the Auditor of State finds in an audit report issued under division (A) or (B) of Section 117.11 of the Revised Code of a village that has a population of one hundred fifty persons or less and consists of less than two square miles, that the village meets at least two conditions for the dissolution of a village, the Auditor of State shall send a certified copy of the report together with a letter to the Attorney General requesting the Attorney General to institute legal action to dissolve the village in accordance with division (C) of this section.

The audit report transmitted to the village shall be accompanied by a notice to the village of the Auditor's intent to refer the report to the Attorney General for legal action in accordance with this section.

Ohio Revised Code Section 117.11(B) provides:

In addition to the annual or biennial audit provided for in division (A) of this section, the Auditor of State may conduct an audit of a public office at any time when so requested by the public office or upon the Auditor of State's own initiative if the Auditor of State has reasonable cause to believe that an additional audit is in the public interest.

Ohio Revised Code Section 703.34(A), subsections (1) through (6) provide criteria for conditions for the dissolution of a village.

Pursuant to Ohio Revised Code Sections 703.34 and 117.11(B), we have performed the procedures summarized below as of August 27, 2025. These procedures were performed solely to determine if the Village of Ithaca (the Village) meets criteria for surrendering corporate powers pursuant to Ohio Revised Code Section 703.34. The procedures we performed and the results of those procedures are summarized as follows:

ISSUE 1: Analysis of Ohio Revised Code Section 703.34 applicability to the Village

Ohio Revised Code Section 703.34(D) provides criteria to determine population for purposes of determining whether a village has a population of one hundred fifty persons or less. Ohio Revised Code Section 703.34 provides no criteria for determining whether the village consists of less than two square miles.

PROCEDURES:

1. Inquired with the Darke County Engineer's Office.
2. Reviewed the 2020 Federal census.
3. Reviewed population estimates from the Ohio Department of Development.

RESULTS:

The Village size was determined by the Darke County Engineer's office to encompass 0.03 square miles.

The 2020 federal census indicated the Village population to be 81 residents. The most recent population estimate provided from the Ohio Department of Development (July 1, 2024, the latest information available) indicated a population estimate of 92 Village residents.

ISSUE 2: Analysis of six criteria for surrendering corporate powers pursuant to Ohio Revised Code Section 703.34

We reviewed the six criteria for villages subject to Ohio Revised Code Section 703.34(A) to determine if the Village met at least two of the conditions to subject them to surrender of corporate powers.

CRITERION 1:

The Village has been declared to be in a fiscal emergency under Chapter 118 of the Ohio Revised Code and has been in fiscal emergency for at least three consecutive years with little or no improvement on the conditions that caused the fiscal emergency declaration. (Ohio Revised Code Section 703.34(A)(1))

PROCEDURES:

1. Reviewed the Auditor of State website for all entities that have been declared in fiscal emergency. (<https://ohioauditor.gov/fiscal/local.html>)
2. Reviewed audit reports for the years 2000 to 2022. (2022, the latest audit report available, was released in June 2024.)

RESULTS:

The Village has not been declared to be in fiscal emergency in any fiscal year.

CRITERION 2:

The Village has failed to properly follow applicable election laws for at least two consecutive election cycles for any one elected office in the Village. (Ohio Revised Code Section 703.34(A)(2))

PROCEDURES:

1. Reviewed the minutes of the Village from October 1, 2021, to April 30, 2024. (All of the councilmembers resigned on or prior to April 30, 2024, no minutes exist after that.)
2. Reviewed the Ballot Histories of the Village of Ithaca compiled by the Election Processing Coordinator with the Darke County Board of Elections from Ballot Histories from the Abstract of Votes (2011 – 2023).
3. Inquired with the Registration Clerk/ADA Coordinator with the Darke County Board of Elections.
4. Requested Certificates of Appointment filed with the Darke County Board of Elections. (None were filed.)
3. Reviewed audit reports for the years 2000 to 2022. (2022, the latest audit report available, was released in June 2024.)

RESULTS:

<i>Term of Office</i>	Elected Officials in the Village of Ithaca						
	<i>Mayor</i>	<i>Council Seat 1</i>	<i>Council Seat 2</i>	<i>Council Seat 3</i>	<i>Council Seat 4</i>	<i>Council Seat 5</i>	<i>Council Seat 6</i>
'24-'25		X	X				
'22-'23				X			
'20-'21							
'18-'19	X						
'16-'17							
'14-'15	X						
'12-'13							
X denotes potential Election Law violation (see below)							

Per confirmation from the Darke County Board of Elections, no individuals filed a petition by the August 6, 2025, deadline to be placed on the November 2025 ballot, nor did any individuals file a declaration to be a write-in candidate by the August 25, 2025 deadline to fill the open council seats 3 through 6.

MAYOR:

- Term 1/1/24 through 12/31/25: Lyla McCoy was elected as Mayor in the general election of November 2023.
- Term 1/1/22 through 12/31/23: Lyla McCoy was elected as Mayor in the general election of November 2021. She served the entire term.

COUNCIL SEAT 1:

- Term 1/1/24 through 12/31/27: There is no evidence of a candidate for this council seat at the general election of 2023. There is also no evidence of a candidate being properly appointed to this seat.

According to Ohio Revised Code Section 731.43(A)(1), when the office of a member of the legislative authority of a village becomes vacant, the vacancy is filled by election by the legislative authority for the unexpired term. If the legislative authority fails within 30 days to fill the vacancy, the mayor fills it by appointment.

Because there was no candidate for this seat at the 2023 general election, that office is deemed vacant as of January 1, 2024. There is no evidence that the legislative authority of the Village or the Mayor of the Village properly appointed someone to this council seat for this term.

COUNCIL SEAT 2:

- Term 1/1/24 through 12/31/27: There is no evidence of a candidate for this council seat at the general election of 2023. The term began with Krickett Allread serving as a “holdover” in this council seat. Ms. Allread resigned on April 30, 2024. All other councilmembers also submitted resignations on or prior to April 30, 2024, therefore no one has been appointed to fill this vacancy for the rest of the term.

According to Ohio Revised Code Section 731.43, when the office of a member of the legislative authority of a village becomes vacant, the vacancy is filled by election by the legislative authority for the unexpired term. If the legislative authority fails within 30 days to fill the vacancy, the mayor fills it by appointment.

Ohio Revised Code Section 3.02(A) states that, when an elective office becomes vacant and is filled by appointment, such appointee shall hold the office until his successor is elected and qualified; and such successor shall be elected for the unexpired term, at the first general election for the office which is vacant that occurs more than forty days after the vacancy has occurred; provided that when the unexpired term ends within one year immediately following the date of such general election, an election to fill such unexpired term shall not be held and the appointment shall be for such unexpired term.

COUNCIL SEAT 3:

- Term 1/1/22 through 12/31/25: There is no evidence of a candidate for this council seat at the general election of 2023. On May 18, 2022, Dick Flatter was appointed to this seat by a motion of Raymond (Larry) Ray and seconded by Dale Dearth. There is no evidence that Mr. Flatter was properly appointed to this seat as is required by Ohio Revised Code Section 731.43.

According to Ohio Revised Code Section 731.43, when the office of a member of the legislative authority of a village becomes vacant, the vacancy is filled by election by the legislative authority for the unexpired term. If the legislative authority fails within 30 days to fill the vacancy, the mayor fills it by appointment.

Because more than thirty days passed between the vacancy created by the end of Lyla McCoy's term (December 31, 2021) and Mr. Flatter's appointment (May 18, 2022) without any action by the Village Council, that vacancy should have been filled by the Mayor.

There is no evidence of a formal resignation from Mr. Flatter; however, the last meeting he attended was July 18, 2023, according to the Village's minutes.

COUNCIL SEAT 4:

- Term 1/1/22 through 12/31/25: Mary Ray was elected to this council seat in the general election of November 2021.

Ms. Ray resigned on April 30, 2024. All other councilmembers also submitted resignations on or prior to April 30, 2024, therefore no one has been appointed to fill this vacancy for the rest of the term.

According to Ohio Revised Code Section 731.43, when the office of a member of the legislative authority of a village becomes vacant, the vacancy is filled by election by the legislative authority for the unexpired term. If the legislative authority fails within 30 days to fill the vacancy, the mayor fills it by appointment.

COUNCIL SEAT 5:

- Term 1/1/22 through 12/31/25: Raymond (Larry) Ray was elected to this council seat in the general election of November 2021.

Mr. Ray resigned on April 30, 2024. All other councilmembers also submitted resignations on or prior to April 30, 2024, therefore no one has been appointed to fill this vacancy for the rest of the term.

According to Ohio Revised Code Section 731.43, when the office of a member of the legislative authority of a village becomes vacant, the vacancy is filled by election by the legislative authority for the unexpired term. If the legislative authority fails within 30 days to fill the vacancy, the mayor fills it by appointment.

COUNCIL SEAT 6:

- Term 1/1/22 through 12/31/25: Barbara Rice was elected to this council seat in the general election of November 2021.

Ms. Rice resigned on April 30, 2024. All other councilmembers also submitted resignations on or prior to April 30, 2024, therefore no one has been appointed to fill this vacancy for the rest of the term.

According to Ohio Revised Code Section 731.43, when the office of a member of the legislative authority of a village becomes vacant, the vacancy is filled by election by the legislative authority for the unexpired term. If the legislative authority fails within 30 days to fill the vacancy, the mayor fills it by appointment.

CRITERION 3:

The Village has been declared during an audit conducted under section 117.11 of the Ohio Revised Code to be unauditible under section 117.41 of the Revised Code in at least two consecutive audits. (Ohio Revised Code Section 703.34(A)(3))

PROCEDURES:

1. Reviewed audit reports for the years 2000 to 2022. (2022, the latest audit report available, was released in June 2024.)
2. Reviewed Auditor of State Unauditable Declaration page for 2011 to 2025.
(<https://ohioauditor.gov/news/category/Unauditable%20Declaration>)
3. Inquired with Auditor of State, Chief Auditor and Senior Audit Manager, West Region.

RESULTS:

The Village has not been declared unauditable for any of the examined audit periods.

CRITERION 4:

The Village does not provide at least two services typically provided by municipal government [examples omitted]. "Services" does not include any administrative service or legislative action. (Ohio Revised Code Section 703.34(A)(4))

PROCEDURES:

1. Inquired with the Mayor (Lyla McCoy) as to the services provided by the Village.
2. Reviewed contract with the Village of Arcanum for fire Services.
3. Reviewed agreement with the Miami Valley Lighting for street lighting services.
4. Reviewed the Village's invoices relating to identified disbursements from January 1, 2024, through July 31, 2025.
5. Reviewed the minutes of the Village from October 1, 2021, to April 30, 2024. (All of the councilmembers resigned on or prior to April 30, 2024, no minutes exist after that.)

RESULTS:

Street Services:

The Village does not currently provide any street services.

Street Lighting:

The Village has a contract with Miami Valley Lighting to provide street lighting to the Village. The Village has yearly street lighting assessments that assist in covering these costs.

Traffic Signals:

The Village does not have any traffic signals.

Snow Removal:

The Village provided snow removal service previously, however Council voted to terminate this service in 2023.

Road Repair:

The Village does not provide any road repair services.

Garbage Collection:

Garbage collection service is provided to the residents by Rumpke. Residents are individually billed for this service by Rumpke. There is no contract between the Village and Rumpke to provide this service.

Police Protection:

The Darke County Sheriff's Department provides coverage to the residents of the Village. There is no specific contract between the Village and the Darke County Sheriff's Department. There is no evidence of payments from the Village for these services.

Fire Services:

The Village of Arcanum's fire department provides coverage to residents of the Village of Ithaca. For 2025, there is no specific contract between the Village of Ithaca and the Village of Arcanum's fire department. There is no evidence of payments from the Village of Ithaca for these services.

CRITERION 5:

The Village has failed for any fiscal year to adopt the tax budget required by Section 5705.28¹ of the Ohio Revised Code. (Ohio Revised Code Section 703.34(A)(5))

PROCEDURES:

1. Inquired with the Darke County Auditor's Office.
2. Inquired with Auditor of State, Chief Auditor and Senior Audit Manager, West Region.
3. Reviewed tax budgets submitted to the County Budget Commission from 2020 to 2024.
4. Reviewed audit reports for the years 2000 to 2022. (2022, the latest audit report available, was released in June 2024.)
5. Reviewed the minutes of the Village from October 1, 2021, to April 30, 2024. (All of the councilmembers resigned on or prior to April 30, 2024, no minutes exist after that.)

RESULTS:

The following table summarizes the Village's compliance with tax budget law from 2020 to 2025:

Tax Year	Tax Budget Submitted to County Budget Commission	Tax Budget Submitted to the County Auditor signed by:	Passed in Minutes (1)	Has the Village Failed to adopt the tax budget required under the Tax Levy Law
2026	N/A	N/A	- No Tax Budget approval	Yes
2025	N/A	N/A	- No Tax Budget approval	Yes
2024	8/21/2023	Visiting Clerk	- Passed by motion only	Yes
2023	7/23/2023	Visiting Clerk	- No Tax Budget approval	Yes
2022	7/16/2021	Fiscal Officer	- No Tax Budget approval	Yes
2021	7/20/2020	Fiscal Officer	- No Tax Budget approval	Yes
2020	7/19/2019	Mayor/Fiscal Officer	- No Tax Budget approval	Yes

(1) The Auditor of State interprets Ohio Revised Code Section 5705.28 to require the passage of the Tax Budget by ordinance or resolution, which requires three public readings for passage, with the absence of a resolution deeming the ordinance or resolution an emergency measure for immediate passage with only one reading.

CRITERION 6:

A Village elected official has been convicted of theft in office, either under section 2921.41 of the Revised Code or an equivalent criminal statute at the federal level, at least two times in a period of ten years. The convicted official with respect to those convictions may be the same person or different persons. (Ohio Revised Code Section 703.34(A)(6)).

PROCEDURES:

1. Inquired with the Darke County Prosecutor's Office.
2. Inquired with Auditor of State, Chief Forensic Auditor, Special Investigations Unit.
3. Reviewed audit reports for the years 2000 to 2022. (2022, the latest audit report available, was released in June 2024.)
4. Reviewed the minutes of the Village from October 1, 2021, to April 30, 2024. (All of the councilmembers resigned on or prior to April 30, 2024, no minutes exist after that.)

RESULTS:

There was one elected official convicted of theft in office. David Peterson, who served as both the elected Mayor of the Village as well as the appointed Fiscal Officer, plead guilty to theft in office, a felony of the fourth degree, on September 5, 2024.

Elected councilmembers Krickett Allread, Mary Ray, Raymond (Larry) Ray, Barbara Rice, Dale Dearth, and Rob Brown were named in a finding for recovery in the 2021-2022 audit report. None of these councilmembers have been convicted of any charges of theft in office.

CONCLUSION

Based upon the results of the procedures performed, the Auditor of State finds that the Village of Ithaca meets at least three of the conditions enumerated in Ohio Revised Code Section 703.34. The Village meets criterion 2, failure to follow applicable election laws, criterion 4, failure to provide at least two services, and criterion 5, failure to adopt the tax budget.

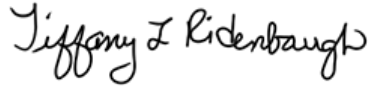
We express no opinion on the Village's internal control system over financial reporting or any part thereof. Had we performed additional procedures, or had we conducted an examination of financial statements in accordance with auditing standards generally accepted in the United States of America, other matters might have come to our attention that would have been reported to you. This report relates only to transactions relating to the above procedures, and does not extend to any financial statements of the Village taken as a whole.

This report is intended for the use of the specified users listed above. Reports by the Auditor of State are a matter of public record and use by other components of state government or local government officials is not limited.

NOTICE

It is the Auditor of State's intent to refer this report to the attorney general on September 12, 2025 for legal action in accordance with Ohio Revised Code Section 703.34 as amended.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF ITHACA
REPORT ON PROCEDURES PERFORMED OHIO REVISED CODE 703.34**

DARKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/11/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov