



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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Village of Milton Center  
Wood County  
22230 Defiance Street  
Milton Center, Ohio 43541

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 Milton Center, Wood County, Ohio (the Village) for the years ended December 31, 2020 and 2019.

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, 2020 and 2019.

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 § 5705.38(A)** requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1st. Due to deficiencies in the Village's controls, the Village did not pass appropriations for 2020 or 2019. Because appropriations authorize spending, failing to appropriate could result in deficit spending. The Village should pass its annual appropriation measure on or about the first day of the fiscal year.
- 2.** Sound accounting practices require accurately posting estimated receipts to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters. Due to deficiencies in the Village's controls, estimated receipts were not posted to the receipts journal. Failing to accurately post estimated receipts to the ledgers could result in overspending and negative cash balances. Estimated receipts should be posted to the receipts journal and reviewed by the Council monthly.
- 3.** We examined the bank reconciliation prepared as of December 31, 2020. Due to deficiencies in the Village's controls, the Star Ohio account was not included in the reconciliation. In addition, the book balance in the reconciliation did not agree to the Village's recorded book balance, with a variance of \$299.

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. Also, the Village's small size requires Village Council involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties.

Due care should be used in the preparation of bank reconciliations. In addition, bank reconciliations should be provided to, reviewed by, and approved by the Village Council.

4. **Ohio Rev. Code § 117.38** provides that each public office shall file a financial report for each fiscal year. The report shall be filed with the Auditor of State within sixty days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension.

Due to deficiencies in the Village's controls over financial reporting, the Village filed their annual report with the Auditor of State for the year ended December 31, 2020 on September 10, 2021. This filing was due March 1, 2021. The Village filed their annual report with the Auditor of State for the year ended December 31, 2019 on December 7, 2020. This filing was due March 1, 2020. Failing to file by the due date could result in penalties of \$25 per day up to a maximum of \$750.

The Village should adopt control procedures to help ensure the Village files annual financial reports within the sixty day filing requirement.

5. **Ohio Rev. Code § 149.43(E)(2)** provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to **Ohio Rev. Code § 149.43(B)(7)(c)**, the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.

**Ohio Rev. Code § 149.43(E)(2)** further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

The Village has no formal written policy that would demonstrate compliance with the Ohio Revised Code. This could result in records requests not being fulfilled in accordance with Ohio law.

The Village shall establish a public records policy. The policy shall be distributed to the records custodian/manager and the Village should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in all of the Village's branch offices and the public records policy must be included in policy manuals or handbooks if any exist.

Pursuant to **Ohio Rev. Code § 109.43(E)(2)**, the Ohio Attorney General has developed and provided to all public offices a model public records policy for responding to public records requests. The policy, which is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-Policy.aspx>, provides guidance to public offices in developing their own policies for responding to public records requests in compliance with the Public Records Act.

6. **Ohio Rev. Code § 733.81(D)(2)** provides that a fiscal officer who is elected to a subsequent term of office shall complete twelve hours of continuing education courses in each subsequent term of office.

The current Fiscal Officer did not obtain the required hours of continuing education programs during his subsequent term of office. This non-compliance occurred due to deficiencies in the Village's internal controls over continuing education compliance.

Failure to obtain and document the required training could result in the Fiscal Officer not being adequately trained and could result in subsequent recording and compliance errors due to insufficient training.

The Fiscal Officer should complete the required continuing education program hours. Training hours should be reported to the Auditor of State's Fiscal Integrity Act portal.

#### **Current Status of Matters Reported in our Prior Engagement**

Items 1, 2, 3, and 4 noted above were also reported in our prior engagement for the years ended December 31, 2018 and 2017.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 25, 2021

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF MILTON CENTER**

**WOOD 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 11/9/2021**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)