



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Village of Palestine
Darke County
Palestine, Ohio 45352

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 Palestine, Darke County, (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. The Village was late filing the 2019 financial statements in the Hinkle System as required by Ohio Rev. Code § 117.38 (due date of March 2, 2020; filed on March 4, 2020).
2. The prior and current Fiscal Officers did not obtain the required fiscal integrity continuing education training as required by Ohio Rev. Code § 733.81.
3. The Village did not have a public records policy as required by Ohio Rev. Code § 149.43(E)(2).
4. The Village did not have a records retention schedule and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
5. The Village did not have a public records policy and therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
6. The Village did not have a policy manual and therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
7. The Village did not have a public records policy and therefore it could not be displayed in all the branches of the Village as required by Ohio Rev. Code § 149.43(E)(2).
8. None of the elected officials attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B).

Current Status of Matters Reported in our Prior Engagement

1. Our prior audit for the years ended December 31, 2018 and 2017 noted that the Village did not file the 2018 and 2017 annual financial reports timely. During our testing procedures for 2020 and 2019 we noted this issue was not corrected for 2019 and was therefore included as a repeat exception above.
2. Our prior audit for the years ended December 31, 2018 and 2017 noted that General Fund appropriations exceeded estimated resources. During our testing procedures for 2020 and 2019 we noted this issue was corrected.
3. Our prior audit for the years ended December 31, 2018 and 2017 noted that the Village did not incorporate budgeted receipts or appropriations into the manual or computer accounting system. During our testing procedures for 2020 and 2019 we noted this issue was corrected.
4. Our prior audit for the years ended December 31, 2018 and 2017 noted that the Village did not deposit second half property tax settlement, local government funding, and motor vehicle license tax checks received from Darke County in August 2018 in the total amount of \$3,498 during 2018. No further issues were noted during our testing procedures for 2020 and 2019.
5. Our prior audit for the years ended December 31, 2018 and 2017 noted that the Village received and deposited a check from Darke County during 2018 in the amount of \$7,602 for gasoline tax money payable to Patterson Township. No further issues were noted during our testing procedures for 2020 and 2019.
6. Our prior audit for the years ended December 31, 2018 and 2017 noted that the Village posted \$1,281 and \$104 in Supplemental Local Government Funds to the Street and Highway Funds, respectively, rather than allocating the receipts to the General Fund in the amount of \$1,385. During 2018, the Village posted \$1,285 and \$104 in Supplemental Local Government Funds to the Street and Highway Funds, respectively, rather than allocating the receipts to the General Fund in the amount of \$1,389. Also during 2018, the Village posted \$44 and \$4 in Permissive Motor Vehicle License Taxes to the General and Street Funds, respectively, rather than allocating the receipts to the Street and Highway Funds in the amounts of \$44 and \$4, respectively. Also during 2018, the Village posted \$692 and \$56 in Motor Vehicle License Taxes to the General and Street Funds, respectively, rather than allocating the receipts to the Street and Highway Funds in the amounts of \$692 and \$56, respectively. No further issues were noted during our testing procedures for 2020 and 2019.
7. Our prior audit for the years ended December 31, 2018 and 2017 noted that the Village paid Jill Schepis \$20.35 on December 4th for reimbursement of air fresheners and mop liquid purchased at the Dollar Store according to a typed message stating such. However, no receipt documentation was maintained to support the validity of the message and expenditure. No further issues were noted during our testing procedures for 2020 and 2019.
8. Our prior audit for the years ended December 31, 2018 and 2017 noted that the Village paid Jennifer Scantland \$166.32 on August 6th for reimbursement of hotel expenses while attending new client UAN training in Columbus. However, she earned 1,416 points on her personal rewards club card. No further issues were noted during our testing procedures for 2020 and 2019.
9. Our prior audit for the years ended December 31, 2018 and 2017 noted that the Village paid its annual street lighting expenditure 100% from the Street Fund in 2017 and 100% from the General Fund in 2018. The expenditure should be allocated to the Street fund (for lights on Village streets) and the Highway Fund (for lights on State Highways in the Village). No further issues were noted during our testing procedures for 2020 and 2019.

10. Our prior audit for the years ended December 31, 2018 and 2017 noted that the Village's part-time maintenance employee was paid from the General Fund and the Street Fund; however, these charges were not distributed based upon the work that was performed for the pay period. We noted that the part-time maintenance employee also performed work related to the Village's park; however, the Park Fund was not charged for work performed. In addition, Ohio Public Employees Retirement System and other tax withholdings were paid entirely from the General Fund rather than being allocated between the General Fund and the Street Fund in the same manner as the monthly payroll was allocated. No further issues were noted during our testing procedures for 2020 and 2019.

11. Our prior audit for the years ended December 31, 2018 and 2017 noted that during 2018, the Village withheld taxes and pension contributions from employee's earnable salaries. The final 2018 withholding remittances for State of Ohio income taxes, Ohio school district income taxes, and Ohio Public Employees Retirement System (OPERS) pension contributions were due on January 31, 2019. However, all three payments were not made until February 3, 2019. No further issues were noted during our testing procedures for 2020 and 2019.



Keith Faber
Auditor of State
Columbus, Ohio

May 11, 2021

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF PALESTINE

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 5/27/2021

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