



OHIO AUDITOR OF STATE
KEITH FABER



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88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

BASIC AUDIT REPORT

Village of Montezuma
Mercer County
69 W. Main Street
Montezuma, OH 45866

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 Montezuma, Mercer County, (the Village) for the years ended December 31, 2021 and 2020.

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, 2021 and 2020.

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 § 149.43(B)(2)** requires a public office or the person responsible for public records shall organize and maintain public records in a manner that they can be made available for inspection or copying and that a public office shall have available a copy of its current records retention schedule at a location readily available to the public. The Village did not have a copy of its records retention schedule on file as required, nor did the Village have a records retention schedule/policy in place. Failure to have and follow a records retention schedule/policy could result in public records being disposed of prematurely.
2. **Ohio Rev. Code § 149.43(E)(1)** states, in part, to ensure that all employees of public offices are appropriately educated about a public office's obligations under division (B) of this section, all elected officials or their appropriate designees shall attend training approved by the attorney general as provided in section 109.43 of the Revised Code. Three out of six elected officials at the Village did not attend public records training or designate someone to go on his or her behalf by the end of his or her term December 31, 2021. Failure to attend public records training could lead to violation of the Ohio Revised Code sections regarding open meetings and Ohio Sunshine Laws. The Village elected officials should properly attend public records training.

3. The Village failed to timely file their annual financial reports on the Hinkle System for 2021 as required per **Ohio Rev. Code § 117.38** and **Ohio Admin. Code § 117-2-03**. The filing deadline for the 2021 annual report was March 1, 2022 but the Village did not file their report until March 15, 2022. Failure to timely file may result in being ineligible for reduced audit services and could result in the assessment of a late penalty. The Village should establish and implement policies and procedures to verify its annual financial statements are filed with the Auditor of State within sixty days after its December 31st year end date.
4. During testing of current year audit period on behalf amounts of \$116,254 should have been recorded as revenues and expenditures in 2021. If the on behalf of amounts are not properly recorded, Council may be using inaccurate information for budgeting and monitoring purposes and financial statements may not properly reflect material activity of the Village. The Village should properly record on behalf activity as per the Auditor of State bulletin 2000-008.

Current Status of Matters Reported in our Prior Engagement

Our prior basic audit for the years ended December 31, 2019 and 2018 included violations of **Ohio Rev. Code § 149.43(B)(2)** for failure to adopt a record retention policy and schedule, **Ohio Rev. Code § 149.43(E)(1)** for failure to attend public records training, and failure to properly record on behalf amounts. These matters have all been repeated above for the current engagement.



Keith Faber
Auditor of State
Columbus, Ohio

September 6, 2022

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VILLAGE OF MONTEZUMA

MERCER 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 9/20/2022

88 East Broad 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
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