



Dave Yost • Auditor of State



Dave Yost • Auditor of State

Village of Palestine
Darke County
P.O. Box B
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, 2014 and 2013.

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, 2014 or 2013.

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.

Current Year Observations

1. We identified that General Fund appropriations of \$53,310 exceeded estimated resources of \$26,619 by \$26,691 for the year ended December 31, 2014. **Ohio Rev. Code Section 5705.39** limits appropriations to estimated resources. Because appropriations authorize spending, appropriating more than the estimated resources amount could potentially result in deficit spending. The Village should limit appropriations to the amount of estimated resources.
2. We examined the Village's bank reconciliation for the year-ended December 31, 2014. We identified that the Village's reconciled bank balance was \$632 more than the balance reported on the Village's books. Additionally, we identified that the Village only included the Village's checking account balance on the month-end bank reconciliation. The Village's money market savings account was not included in the bank reconciliation process. The Village should include all bank accounts on its month-end reconciliation to determine that total Village fund balances reconcile with total bank balances. The Village should also identify and correct any unreconciled variances during the month-end reconciliation process. Failure to do so could result in undetected errors or irregularities.
3. The Village did not incorporate budgeted receipts or appropriations into its manual or computer accounting system, to track budget versus actual receipts and expenditures throughout the year. The Village should include estimated receipts and appropriations in the accounting system so that members of council and other officials can make informed decisions and avoid potential deficit spending.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 30, 2015

This page intentionally left blank.



Dave Yost • Auditor of State

VILLAGE OF PALESTINE

DARKE 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
JULY 14, 2015**