



OHIO AUDITOR OF STATE
KEITH FABER



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Village of Ithaca
Darke County
611 Main Street
Ithaca, Ohio 45304

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 Ithaca, Darke County, (the Village) for the years ended December 31, 2018 and 2017.

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, 2018 and 2017.

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 issues to report.

Current Year Observations

The Village did not file the 2017 and 2018 annual financial reports timely. Ohio Rev. Code §117.38 states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year-end. Auditor of State Bulletin 2015-007 further states that the mandatory filing method is the Auditor of State's Hinkle System. The Village filed the 2017 and 2018 annual financial reports on June 25, 2019 and April 24, 2019, respectively, which were not timely within 60 days after each fiscal year-end. The Village should file annual financial reports timely in the Hinkle system.

The Village filed annual appropriations and certificates of estimated resources with the Darke County Auditor during 2017 and 2018. However, the General Fund appropriations of \$45,500 exceeded the General Fund estimated resources of \$44,008.62 during 2018. Therefore, the Village appropriated \$1,491.38 more in the General Fund during 2018 than it had available to spend. The Village should implement procedures to ensure that all appropriations are limited to estimated resources for each fund.

The Village elected Mayor and appointed Fiscal Officer roles are held by the same individual. Ohio Ethics Commission Advisory Opinion No. 99-002 states, the Ethics Commission has held that Ohio Rev. Code § 2921.42(A)(4) prohibits an elected officer of a political subdivision from simultaneously holding compensated employment with his own political subdivision because an employment relationship between a political subdivision and a public employee is a 'public contract' for purposes of Ohio Rev. Code § 2921.42. The Village should contact its legal counsel to determine the compatibility of the roles. Failure to do so could result in referrals to the Ohio Ethics Commission, Ohio Attorney General's Office, and/or the Darke County Prosecutor's office in future audits.

Current Status of Matters Reported in our Prior Engagement

Our prior audit for the years ended December 31, 2016 and 2015 included an exception that the 2016 annual financial report was not filed in a timely manner on the Hinkle System in accordance with the criteria above. The Village filed its 2016 annual financial report on September 29, 2017, which was not within 60 days after fiscal year-end. During our procedures we noted this issue was not corrected and was therefore included as a repeat exception applicable to 2017 and 2018 above.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

November 15, 2019

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ITHACA

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
DECEMBER 5, 2019