



OHIO AUDITOR OF STATE
KEITH FABER



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Village of Castine
Darke County
Castine, 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 Castine, Darke County, (the Village) for the years ended December 31, 2019 and 2018.

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, 2019 and 2018.

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 Fiscal Officer did not obtain the required fiscal integrity continuing education training as required by Ohio Revised Code § 733.81. Failure to obtain the required training could result in improper knowledge of fiscal officer requirements.
2. None of the Council members nor the Fiscal Officer attended public records training as required by Ohio Revised Code § 109.43(B). Failure to do so could result in violation of Sunshine laws.
3. The Village does not have a records retention policy or schedule as required by Ohio Revised Code § 149.43(B)(2).
4. The Village does not have a public records policy as required by Ohio Revised Code § 149.43(E)(2).
5. Ohio Revised Code § 117.38 requires entities to file their financial information in the Auditor of State HINKLE system within 60 days after the close of the fiscal year. The Village did not file the 2018 and 2019 annual financial reports timely within 60 days after fiscal year end. The 2018 report was filed on September 15, 2020, with a due date of March 1, 2019, and the 2019 report was filed September 8, 2020, with a due date of March 2, 2020.
6. Ohio Rev. Code § 149.351(A), states, in part, that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under sections 149.38 to 149.42 of the Revised Code. Those records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred or destroyed unlawfully.

The Village was unable to provide the 1099 forms issued to the Mayor for 2018 and 2019.

The Village should implement procedures so that all records are maintained and are only removed or destroyed in accordance with the Village's record retention schedule. Failure to retain these required public records may result in an incomplete audit trail, create potential problems for future management decisions, and may result in findings for recovery in future audits.

7. General Fund disbursements of \$14,465 exceeded appropriations of \$8,050 for the year ended December 31, 2019. Ohio Rev. Code § 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated. Because appropriations authorize spending, expending more money than appropriated potentially allows for deficit spending. The Village should amend appropriations if necessary, or reduced spending so that disbursements do not exceed appropriations.
8. There was no evidence that the Village integrated budgetary estimated receipts or appropriations into the QuickBooks accounting system for 2018 or 2019. The Fiscal Officer should periodically compare amounts recorded in the QuickBooks accounting system to amounts on the Official Certificate of Estimated Resources or the Amended Official Certificate of Estimated Resources and annual appropriation measures to assure they agree. If the amounts do not agree, the Village Council may be using inaccurate information for budgeting and monitoring purposes.

Current Status of Matters Reported in our Prior Engagement

Our prior audit for the years ended December 31, 2017 and 2016 included three findings. Findings #1 (incorporating budgetary estimated receipts and appropriations into the accounting system), #2 (General Fund disbursements exceeded appropriations), and #3 (timely filing of financial statements), were not corrected and are repeated as current year observations 8, 7 and 5 above.



Keith Faber
Auditor of State

Columbus, Ohio

November 3, 2020

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF CASTINE

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 11/19/2020

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