



OHIO AUDITOR OF STATE
KEITH FABER



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Village of Lewisville
Monroe County
46089 State Route 145
Lewisville, OH 43754

To the Village Council:

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Village of Lewisville, Monroe County, Ohio (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 § 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 § 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(E)(1) and 109.43(B)** state, 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 § 109.43 of the Revised Code. The attorney general shall develop, provide, and certify training programs and seminars for all elected officials or their appropriate designees, in order to enhance the officials' knowledge of the duty to provide access to public records as required by § 149.43 of the Revised Code. The training shall be three hours for every term of office for which the elected official was appointed or elected to the public office involved. The Clerk and Council members did not attend public records training for their term ending during the audit period, nor did they have a designee go to the training in their place. The Village officials or their designee should attend at least 3 hours of training on Ohio's Public Records Laws during their term of office.
2. We noted that the Village has not adopted a public records policy or adopted a formal records retention schedule in accordance with **Ohio Rev. Code § 149.43**. The Village should establish a public records policy and a records retention schedule in accordance with the aforementioned Ohio Revised Code.
3. **Ohio Rev. Code § 733.81(D)(2)** states that a fiscal officer who is elected to a subsequent term of office shall complete twelve hours of continuing education courses in each subsequent term of office. The Clerk did not obtain the required amount of training courses for her term ending March 31, 2020. The Clerk should attend trainings to help further her continuing education as required by the aforementioned Ohio Revised Code.

Current Year Observations (Continued)

4. **Ohio Rev. Code § 5705.09(F)** provides that each subdivision shall establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. In 2020, Coronavirus Aid, Relief and Economic Security (CARES) receipts and expenditures in the amount of \$20,864 were posted to the General Fund, instead of properly establishing a CARES Fund. The Village should refer to the Village Officer's Handbook for guidance for the proper establishment of new funds. Also, the Village should refer to Auditor of State Bulletin 2021-004 for guidance on accounting for federal programs authorized by the American Rescue Plan Act of 2021.
5. **Ohio Rev. Code § 5705.10(D)** provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. In 2019, an insurance reimbursement in the amount of \$1,466 was posted to the General Fund instead of the Street Construction Fund. This adjustment, which management agreed, was posted to the Village's accounting system.

Current Status of Matters Reported in our Prior Engagement

6. **Ohio Rev. Code § 117.38** states each public office shall file a financial report for each fiscal year. The report shall be certified by the proper officer or board and filed with the Auditor of State within sixty days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension. The Village filed its 2019 annual financial report on February 1, 2021. No extension was obtained. Our prior engagement noted the Village failed to file their 2018 and 2017 annual financial report within the allotted 60 days. The Village should submit the Annual Financial Report each year in accordance with the aforementioned requirements.
7. **Ohio Rev. Code § 5705.10(C)** states all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made. Ohio Rev. Code § 5735.28 states motor vehicle registration, cents-per-gallon and gasoline tax monies are to be paid into the Street Construction Fund unless the Village is on the line of the state highway system as designated by the director of transportation and then 7.5% of the amount paid to any village shall be receipted into the State Highway Fund.

During 2020 and 2019, we noted that local government, gasoline tax and auto registration receipts were not always posted to the correct fund or allocated correctly. In 2020, receipts posted to the Street Construction Fund in the amount of \$314 should have been posted to the General and State Highway Funds, in the amounts of \$231 and \$83, respectively. In 2019, receipts posted to the General and State Highway Funds in the amounts of \$212 and 13, respectively, should have been posted to the Street Construction Fund, in the amount of \$225. These adjustments, which management agreed, were posted to the Village's accounting system. Our prior engagement noted the Village did not post receipts to the correct funds in 2018 and 2017, and the adjustments were made accordingly and reflected on the financial statements.

8. We noted that General Fund expenditures of \$48,415 exceeded appropriations of \$0 by \$48,415 for the year ended December 31, 2020. This was due to Village Council not passing a 2020 appropriation measure. **Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority from expending money unless it has been appropriated. The Village's failure to limit expenditures to the amounts appropriated could result in deficit spending. Our prior engagement noted the Village failed to approve their annual appropriations for 2018. The Village Council should adopt an annual appropriation measure.

Current Status of Matters Reported in our Prior Engagement (Continued)

9. **26 CFR § 3101(b)(1)** states “there is hereby imposed on the income of every individual a tax equal to 1.45 percent of the wages (as defined in § 3121(a)) received by him with respect to employment (as defined in § 3121(b)).” The Village did not withhold Medicare taxes for employee and employer share of wages paid to the officials for 2020 and 2019. Our prior engagement noted the Village failed to withhold and remit Medicare taxes for 2018 and 2017. The Village should withhold employer and employee share of Medicare taxes for all employees’ wages.

10. The Village had outstanding checks on the December 31, 2020 bank statement in the amount of \$4,819. All of these checks are at least a year old, some dating back to 2014. Our prior engagement noted the Village had old outstanding checks on their 2018 and 2017 year end reconciliations. The Village should follow up on old outstanding checks and establish a time period after which these checks are to be removed from the outstanding check list and either re-issued or voided.



Keith Faber
Auditor of State
Columbus, Ohio

June 10, 2021

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LEWISVILLE

MONROE 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 6/22/2021

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