



Dave Yost • Auditor of State

VILLAGE OF RUTLAND
MEIGS COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Rutland
Meigs County
P.O. Box 297
Rutland, Ohio 45775

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Rutland, Meigs County, Ohio (the Village), as of and for the years ended December 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Rutland, Meigs County, Ohio, as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

Emphasis of Matter

As discussed in Note 10 to the financial statements, Village Council restated the January 1, 2013 Special Revenue Fund balance to record a certificate of deposit not presented in previous audits. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

November 30, 2015

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$14,168	\$3,369	\$17,537
Intergovernmental	17,184	15,227	32,411
Charges for Services	0	5,605	5,605
Fines, Licenses and Permits	28,070	0	28,070
Earnings on Investments	28	15	43
Miscellaneous	885	0	885
<i>Total Cash Receipts</i>	<u>60,335</u>	<u>24,216</u>	<u>84,551</u>
Cash Disbursements			
Current:			
Security of Persons and Property	23,326	0	23,326
Leisure Time Activities	0	9,759	9,759
General Government	42,768	0	42,768
Debt Service:			
Principal Retirement	0	1,699	1,699
Interest and Fiscal Charges	0	686	686
<i>Total Cash Disbursements</i>	<u>66,094</u>	<u>12,144</u>	<u>78,238</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,759)</u>	<u>12,072</u>	<u>6,313</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	214	214
Transfers Out	(214)	0	(214)
Other Financing Uses	0	(393)	(393)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(214)</u>	<u>(179)</u>	<u>(393)</u>
Special Item	<u>16,503</u>	<u>0</u>	<u>16,503</u>
<i>Net Change in Fund Cash Balances</i>	10,530	11,893	22,423
<i>Fund Cash Balances, January 1</i>	<u>13,086</u>	<u>46,555</u>	<u>59,641</u>
Fund Cash Balances, December 31			
Restricted	0	45,376	45,376
Committed	0	13,072	13,072
Assigned	<u>23,616</u>	<u>0</u>	<u>23,616</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$23,616</u></u>	<u><u>\$58,448</u></u>	<u><u>\$82,064</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF RUTLAND
MEIGS COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Non-Operating Receipts (Disbursements)	
Other Financing Sources	1,329
Other Financing Uses	<u>(505)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>824</u>
<i>Net Change in Fund Cash Balances</i>	824
<i>Fund Cash Balance, January 1</i>	<u>505</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$1,329</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$13,351	\$1,388	\$0	\$14,739
Intergovernmental	15,457	15,006	0	30,463
Charges for Services	0	5,733	0	5,733
Fines, Licenses and Permits	6,218	837	0	7,055
Earnings on Investments	12	0	0	12
Miscellaneous	7,059	25,000	0	32,059
<i>Total Cash Receipts</i>	<u>42,097</u>	<u>47,964</u>	<u>0</u>	<u>90,061</u>
Cash Disbursements				
Current:				
Security of Persons and Property	18,535	0	0	18,535
Leisure Time Activities	0	1,354	0	1,354
Transportation	0	6,798	0	6,798
General Government	36,307	0	0	36,307
Debt Service:				
Principal Retirement	0	6,597	0	6,597
Interest and Fiscal Charges	0	1,048	0	1,048
<i>Total Cash Disbursements</i>	<u>54,842</u>	<u>15,797</u>	<u>0</u>	<u>70,639</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(12,745)</u>	<u>32,167</u>	<u>0</u>	<u>19,422</u>
Other Financing Receipts (Disbursements)				
Transfers In	1,125	24,332	0	25,457
Transfers Out	(8,252)	(14,024)	(9,780)	(32,056)
Other Financing Sources	0	2,747	0	2,747
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(7,127)</u>	<u>13,055</u>	<u>(9,780)</u>	<u>(3,852)</u>
<i>Net Change in Fund Cash Balances</i>	(19,872)	45,222	(9,780)	15,570
<i>Fund Cash Balances, January 1 (Restated - See Note 10)</i>	<u>32,958</u>	<u>1,333</u>	<u>9,780</u>	<u>44,071</u>
Fund Cash Balances, December 31				
Restricted	0	42,578	0	42,578
Committed	0	19,418	0	19,418
Assigned	13,086	0	0	13,086
Unassigned (Deficit)	0	(15,441)	0	(15,441)
<i>Fund Cash Balances, December 31</i>	<u>\$13,086</u>	<u>\$46,555</u>	<u>\$0</u>	<u>\$59,641</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$68,606	\$0	\$68,606
<i>Total Operating Cash Receipts</i>	<u>68,606</u>	<u>0</u>	<u>68,606</u>
Operating Cash Disbursements			
Personal Services	17,461	0	17,461
Employee Fringe Benefits	3,415	0	3,415
Contractual Services	31,765	0	31,765
Supplies and Materials	5,476	0	5,476
Other	112	0	112
<i>Total Operating Cash Disbursements</i>	<u>58,229</u>	<u>0</u>	<u>58,229</u>
<i>Operating Income (Loss)</i>	<u>10,377</u>	<u>0</u>	<u>10,377</u>
Non-Operating Receipts (Disbursements)			
Other Financing Sources	0	5,733	5,733
Other Financing Uses	0	(7,383)	(7,383)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>0</u>	<u>(1,650)</u>	<u>(1,650)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	10,377	(1,650)	8,727
Transfers In	187,888	0	187,888
Transfers Out	(181,613)	0	(181,613)
<i>Net Change in Fund Cash Balances</i>	16,652	(1,650)	15,002
<i>Fund Cash Balances, January 1</i>	<u>(16,652)</u>	<u>2,155</u>	<u>(14,497)</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$0</u></u>	<u><u>\$505</u></u>	<u><u>\$505</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Rutland, Meigs County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides park operations and police services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable. .

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code §117-2-03(D) permit.

C. Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

2. Special Revenue Funds (Continued)

Civic Center Fund – This fund receives revenue for the rental of the gym to the public.

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project fund:

Capital Improvement Fund – This fund received proceeds of notes to make improvements to the cabin.

4. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

5. Fiduciary Funds

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following significant Fiduciary Fund:

Mayor's Court Fund: This fund accounts for the activity of the Village's Mayor's Court.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into four classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

2. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

3. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

4. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. Equity in Pooled Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2014	2013
Demand deposits	\$66,456	\$43,221
Certificates of deposit	16,937	16,925
Total deposits	83,393	60,146
Total deposits and investments	\$83,393	\$60,146

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$32,896	\$76,838	\$43,942
Special Revenue	4,950	24,430	19,480
Total	\$37,846	\$101,268	\$63,422

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$47,547	\$67,734	(\$20,187)
Special Revenue	56,511	12,537	43,974
Total	\$104,058	\$80,271	\$23,787

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

3. Budgetary Activity (Continued)

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$27,121	\$43,222	\$16,101
Special Revenue	25,200	75,043	49,843
Capital Projects	0	0	0
Enterprise	225,825	256,494	30,669
Total	<u>\$278,146</u>	<u>\$374,759</u>	<u>\$96,613</u>

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$64,209	(\$64,209)
Special Revenue	0	29,821	(29,821)
Capital Projects	0	9,780	(9,780)
Enterprise	0	239,842	(239,842)
Total	<u>\$0</u>	<u>\$343,652</u>	<u>(\$343,652)</u>

Contrary to Ohio Rev. Code § 5705.10(I), at December 31, 2013, the Street Construction, Maintenance, and Repair Fund incurred a cash deficit balance of \$15,441.

Contrary to Ohio Rev. Code § 5705.38 (A) and (C), Village Council did not pass permanent appropriations for 2013 and at the required legal level of control for 2014.

Contrary to Ohio Rev. Code § 5705.40, approved appropriations did not reconcile to the accounting system.

Contrary to Ohio Rev. Code § 5705.41(B), expenditures exceeded appropriations in several funds during 2014 and 2013.

Contrary to Ohio Rev. Code § 5705.41(D), several expenditures were not properly certified during 2014 and 2013.

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

5. Debt

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest Rate
Cabin Loan	\$15,717	6.46%

The cabin loan was obtained during 2002 with the cabin pledged as collateral. The Village Council approved a \$30,000 loan for capital improvements for 20 years. This loan will be repaid in monthly installments. This is a variable rate loan. The interest rate can change every five years based on the changes in an index which is the lenders prime rate; however, the change cannot exceed two percentage points each five years.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending	
December 31:	Cabin Loan
2015	\$2,601
2016	2,601
2017	2,601
2018	2,601
2019	2,601
2020-2024	7,586
Total	\$20,591

6. Retirement System

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10%, respectively, of their gross salaries and the Village contributed an amount equaling 14%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2014.

7. Risk Management

During the audit period, the Village was uninsured for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

8. Financial Commitments

As of December 31, 2014, the Village owed the Bureau of Workers Compensation \$27,250.

9. Discontinued Operations

Effective April 1, 2013, the Village's water and sewer system and utility department employees were transferred over to Meigs County, which now operates the Village's water and sewer system and provides utility services to residents of the Village.

10. Restatement of Prior Year Balance

The Village had the following restatement:

	Special Revenue
Reported Fund Balance at December 31, 2012	(\$3,928)
Prior audit error	<u>\$5,261</u>
Restated Fund Balance at January 1, 2013:	<u>\$1,333</u>

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Rutland
Meigs County
P.O. Box 297
Rutland, Ohio 45775

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Rutland, Meigs County, Ohio (the Village), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated November 30, 2015 wherein we noted the Village followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. We also noted the Village restated the beginning January 1, 2013 Special Revenue Fund balance to record a certificate of deposit not presented in previous audits.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Finding 2014-008 described in the accompanying Schedule of Findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2014-001 through 2014-008.

Village's Response to Findings

The Village's response to the Findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

November 30, 2015

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

Noncompliance Citation

Ohio Rev. Code § 733.40 requires that all fines, forfeitures, and costs in ordinance cases and all fees that are collected by the mayor, that in any manner come into the mayor's hands, or that are due to the mayor, and all money received by the mayor for the use of the municipal corporation shall be paid by the mayor into the treasury of the municipal corporation on the first Monday of each month. At the first regular meeting of the legislative authority each month, the mayor shall submit a full statement of all money received, from who and for what purposes received, and when paid into the treasury.

During 2013, the Village Mayor did not remit monies collected to the Village by the first Monday of each month. In addition, monies collected in 2014 were disbursed to the Village's General Fund as of December 31, 2014.

The Village Mayor should distribute fines collected by the Village's Mayor's Court to the Village by the first Monday of the following month.

FINDING NUMBER 2014-002

Noncompliance Citation

Ohio Rev. Code § 2949.091 requires the court, in which any person is convicted of or pleads guilty to any offense, to impose on the following sums as costs in the case in addition to any other court costs that the court is required by law to impose upon the offender:

- Thirty dollars if the offense is a felony;
- Twenty dollars if the offense is a misdemeanor other than a traffic offense that is not a moving violations; or
- Ten dollars if the offense is a traffic offense that is not a moving violation, excluding parking violations.

All such moneys collected during the month shall be transmitted on or before the twentieth of the following month by the clerk of the courts to the Treasurer of State.

The Village did not remit the amounts due to the State on or before the twentieth day of the following month as follows:

- November and December 2012 were remitted on March 19, 2013;
- January, February, and March 2013 were remitted on April 13, 2013;
- April, May, and June 2013 were remitted on July 27, 2013; and
- August, September, and November 2013 were remitted on January 1, 2014.

In addition, remittances were made for monies collected in 2014 on October 28, 2015.

**VILLAGE OF RUTLAND
MEIGS COUNTY**
**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2014-002 (Continued)

Noncompliance Citation – Ohio Rev. Code §2949.091 (Continued)

The Village should remit the State portion of Mayor's Court fines and fees collected to the State on or before the twentieth day of the following month and submit all reports as required timely.

FINDING NUMBER 2014-003

Noncompliance Citation

Ohio Rev. Code § 5705.10(I) provides that money paid into a fund must be used only for the purpose for which such fund has been established.

The Village's Street Construction, Maintenance, and Repair Fund had a negative fund balance of \$15,441 at December 31, 2013.

Negative fund balance indicates money from one fund was used to cover the expenses of another fund. Overspending was due to a lack of budgetary oversight by the Village officials.

The Village should take the necessary steps to eliminate the negative fund balance and only post disbursements into a fund for the purposes for which such fund has been established.

FINDING NUMBER 2014-004

Noncompliance Citation

Ohio Rev. Code § 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

Ohio Rev. Code § 5705.38(C) provides that appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services.

Village Council did not pass permanent appropriations for 2013. Also, the Fiscal Officer did not maintain detailed documentation of the 2013 temporary appropriations approved by Village Council on December 18, 2012.

In addition, Village Council did not approve appropriations at the fund, function, and object level for 2014. Failure to use the proper level of control can result in ineffective budgeting and inefficient monitoring.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2014-004 (Continued)

Noncompliance Citation - Ohio Rev. Code § 5705.38(A) (Continued)

Village Council should adopt an appropriation measure on or about the first day of each fiscal year at the minimum legal level of control (fund, function, and object). If the Village adopts a temporary measure, they must adopt a permanent measure no later than April 1. Furthermore, the Fiscal Officer should maintain the approved appropriation measure and file the said measure with the County Auditor.

FINDING NUMBER 2014-005

Noncompliance Citation

Ohio Rev. Code § 5705.40 provides, in part, that a subdivision may amend or supplement its appropriations measure provided the entity complies with the same provisions of law as are used in making the original appropriation. In addition, Ohio courts have held that a board or officer whose judgment and discretion is required, was chosen because they were deemed fit and competent to exercise that judgment and discretion and unless power to substitute another in their place has been given, such board or officer cannot delegate these duties to another. Following such reasoning, a village council would be prohibited from delegating duties statutorily assigned to it, such as the duty of amending appropriations. See *C.B. Transportation, Inc. v. Butler County Board of Mental Retardation*, 60 Ohio Misc. 71, 397 N.E.2d 781 (C.P. 1979); and, *Burkholder v. Lauder*, 6 Ohio Misc. 152, 216 N.E.2d (C.P. 1965)

At December 31, 2014, appropriations as approved by the Village Council did not agree to the Village's accounting system. The variances are as follows:

	Approved	UAN System	Variance
General Fund	\$47,547	\$75,443	(\$27,896)
State Highway Fund	\$7,143	\$7,000	\$143
James Vennari Park Fund	\$25,000	\$15,000	\$10,000
Log Cabin Fund	\$14,581	\$13,250	\$1,331

At December 31, 2013, appropriations as approved by the Village Council did not agree to the Village's accounting system. The variances are as follows:

	Approved	UAN System	Variance
General Fund	\$0	\$83,028	(\$83,028)
Street Construction, Maintenance	\$0	\$23,875	(\$23,875)
State Highway Fund	\$0	\$2,000	(\$2,000)
Civic Center Fund	\$0	\$1,950	(\$1,950)
Log Cabin Fund	\$0	\$3,000	(\$3,000)
FEMA Fund	\$0	\$1,125	(\$1,125)
Water Fund	\$0	\$64,930	(\$64,930)
Sewer Fund	\$0	\$76,700	(\$76,700)
Utilities Fund	\$0	\$1,000	(\$1,000)

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2014-005 (Continued)

Noncompliance Citation – Ohio Rev. Code § 5705.40 (Continued)

Village Council should approve all appropriation amendments, record approval in Council minutes, and file all appropriations amendments with the County Auditor in order to receive confirmation from the County Auditor that appropriations do not exceed estimated resources. The Fiscal Officer should only post legislatively approved amendments and maintain Council approved resolutions for supporting documentation.

FINDING NUMBER 2014-006

Noncompliance Citation

Ohio Rev. Code § 5705.41 (B) prohibits subdivisions or taxing authorities from expending money unless it is appropriated.

At December 31, 2014, expenditures exceeded appropriations, as follows:

Fund	Appropriation Authority	Expenditures	Variance
General Fund	\$47,547	\$67,734	(\$20,187)
Law Enforcement Trust Fund	\$0	\$393	(\$393)

At December 31, 2013, expenditures exceeded appropriations, as follows:

Fund	Appropriation Authority	Expenditures	Variance
General Fund	\$0	\$64,209	(\$64,209)
Street Construction, Maintenance, and F	\$0	\$11,592	(\$11,592)
Civic Center Fund	\$0	\$1,354	(\$1,354)
Law Enforcement Trust Fund	\$0	\$324	(\$324)
Log Cabin Fund	\$0	\$2,851	(\$2,851)
FEMA Fund	\$0	\$1,125	(\$1,125)
Capital Improvement Fund	\$0	\$9,780	(\$9,780)
Other Special Revenue Fund	\$0	\$12,575	(\$12,575)
Water Fund	\$0	\$32,075	(\$32,075)
Sewer Fund	\$0	\$26,042	(\$26,042)
Sewer Debt Fund	\$0	\$156,207	(\$156,207)
Utilities Deposit Fund	\$0	\$23,297	(\$23,297)
Enterprise Improvement Fund	\$0	\$2,221	(\$2,221)

The practice of allowing expenditures to exceed appropriations could result in negative fund balances for the Village.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2014-006 (Continued)

Noncompliance Citation – Ohio Rev. Code § 5705.41 (B) (Continued)

The Village Fiscal Officer should compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, Village Council should adopt appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending. The Village Fiscal Officer should also deny requests for payment when appropriations are not available.

FINDING NUMBER 2014-007

Noncompliance Citation

Ohio Rev. Code § 5075.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in §§ 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificates - Fiscal officers may prepare so-called "blanket" certificates not running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation. Purchase orders may not exceed an amount established by resolution or ordinance of the legislative authority, and cannot extend past the end of the fiscal year. In other words, blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.

3. Super Blanket Certificate - The Village may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to exceed beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2014-007 (Continued)

Noncompliance Citation – Ohio Rev. Code § 5705.41(D)(1) (Continued)

88% of disbursements tested during the audit period were not certified the Fiscal Officer at the time the commitment was incurred and there was no evidence that the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Furthermore, the Village used “blanket” certificates in which Village Council did not have a resolution adopted to establish a maximum amount.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village’s funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, “then and now” certification should be used.

The Village officials should obtain the Fiscal Officer’s certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to the purchase orders that include the certification language § 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of § 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation. In addition, Village Council should adopt a resolution to establish a maximum amount for “blanket” certificates.

FINDING NUMBER 2014-008

Noncompliance Citation/Material Weakness

Ohio Admin. Code § 117-2-02 (A) requires all local public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record, and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

The Village’s monthly cash reconciliations for 2013 and 2014 did not include the amount for the Village’s certificate of deposit held at Farmers Bank and Savings Company. In addition, the wrong amounts for the Law Enforcement Trust Checking account and the Mayor’s Court checking account were entered into the Village’s accounting system.

As a result of the audit procedures performed, the financial statements had the following errors that required audit adjustments or reclassifications.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2014-008 (Continued)

Noncompliance Citation/Material Weakness – Ohio Admin. Code § 117-2-02 (A) (Continued)

In 2013:

- General Fund January 1, 2013 beginning fund balance was reduced \$229 to agree to the audited December 31, 2012 ending fund balance;
- General Fund security of persons and property and miscellaneous revenue were decreased by \$5,312 to eliminate the overstatement of receipts and disbursements due to the Village being reimbursed by Meigs County;
- General Fund general government expenditures and miscellaneous revenue were decreased by \$17,482 to eliminate the overstatement of receipts and disbursements due to the Village being reimbursed by Meigs County;
- General Fund miscellaneous revenue was decreased by \$3,966; transfer out was decreased by \$2,630, and fund balance was decreased by \$1,336 due to overstatement of receipts and disbursements;
- General Fund miscellaneous revenue of \$6,748 was incorrectly posted as special items;
- General Fund intergovernmental revenue of \$3,426 was incorrectly posted as taxes;
- General Fund unassigned fund balance of \$13,086 was reclassified as assigned fund balance;
- Street Construction, Maintenance, and Repair fund taxes were incorrectly posted as intergovernmental revenue in the amount of \$1,293;
- Street Construction, Maintenance, and Repair Fund transportation expenditures were reduced by \$1,336 due to overstatement of expenditures due to the Village being reimbursed by Meigs County;
- Street Construction, Maintenance, and Repair Fund other financing sources and debt service principal expenditures of \$2,747 was unrecorded;
- State Highway Fund taxes were incorrectly posted as intergovernmental revenue in the amount of \$95;
- Civic Center Fund restricted fund balance of \$9,037 was reclassified to committed fund balance;
- James Vennari Park Fund beginning fund balance was increased \$5,261 due to an unrecorded certificate of deposit;
- Law Enforcement Trust Fund fines, licenses, and permits of \$837 was unrecorded;
- Law Enforcement Trust Fund other expenditures of \$324 was unrecorded;
- Log Cabin Fund restricted fund balance of \$10,381 was reclassified to committed fund balance;
- Log Cabin Fund interest and fiscal charges of \$729 were incorrectly posted as principal retirement;
- Water Operating Fund transfers in and contractual services were decreased by \$262;
- Sewer Operating Fund transfers in and contractual services were decreased by \$2,368;
- Mayor's Court Fund other non-operating receipts of \$5,733 was unrecorded; and
- Mayor's Court Fund other non-operating disbursements of \$7,383 was unrecorded.

In 2014:

- General Fund unassigned fund balance of \$23,616 was reclassified as assigned fund balance;
- Street Construction, Maintenance, and Repair Fund taxes were incorrectly as intergovernmental revenue in the amount of \$3,369;
- Law Enforcement Trust Fund other expenditures of \$393 were unrecorded;
- James Vennari Park Fund interest revenue of \$13 was unrecorded;

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2014-008 (Continued)

Noncompliance Citation/Material Weakness – Ohio Admin. Code § 117-2-02(A) (Continued)

- Log Cabin Fund interest and fiscal charges expenditures of \$521 was incorrectly posted as principal retirement expenditures;
- Civic Center Fund restricted fund balance of \$2,161 was reclassified as committed fund balance;
- Log Cabin Fund restricted fund balance of \$10,911 was reclassified as committed fund balance;
- Mayor’s Court other non-operating receipts of \$1,329 was unrecorded; and
- Mayor’s Court other non-operating disbursements of \$505 was unrecorded.

The Fiscal Officer made classifications errors in postings of revenues and expenditures. This caused the misposting and unrecorded revenues and expenditures as noted above.

The audited financial statements and the Village’s UAN accounting system have been adjusted for the issues noted above.

The Fiscal Officer should review the Village Officer’s Handbook for guidance on the correct line items to post various receipts and disbursements of the Village to ensure the Village’s financial statements are complete and accurate.

Officials’ Response: We will work to correct these issues noted in the audit and work to keep everything up to date.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-006	Finding for Recovery was issued against the Office Manager, Anna Farley, for receipts not deposited in the bank.	No	Finding not repaid.
2003-007	Finding for Recovery was issued for petty cash activity not recorded and no supporting documentation.	No	Finding not repaid.
2005-006	Finding for Recovery in the amount of \$670 for improperly paying fine monies to the General Fund instead of the Treasurer of State	No	Partially corrected; \$242 of this amount was repaid during a previous audit. The remaining balance is \$428.
2007-001	Finding for Recovery in the amount of \$400 for the loss of LETF monies by Jeff Miller, Police Chief.	No	Finding not repaid.
2012-001	Finding for Recovery in the amount of \$2,516 for overpayment	No	Finding not repaid.
2012-002	Finding for Recovery in the amount of \$12,166 for public money misappropriated.	No	Finding not repaid.
2012-003	Finding for Recovery in the amount of \$65,791 for theft in office.	No	Partially corrected; \$7,748 of this amount was repaid during this audit period. The remaining balance due is \$58,043.
2012-004	Finding for Recovery for noncash adjustments on prior Fiscal Officers utility account in the amount of \$1,311.	No	Finding not repaid.
2012-005	Finding for Recovery for improper payments for \$308.	No	Finding not repaid.

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2012-006	Ohio Rev. Code § 9.38 for holding \$1,000 and not depositing timely.	No	Partially corrected. Reissued in management letter.
2012-007	Ohio Rev. Code § 145.47 for not paying withholdings to OPERS within 30 days.	No	Partially corrected. Reissued in management letter.
2012-008	Ohio Rev. Code § 149.351(A) for not maintaining supporting audit documentation	No	Partially corrected. Reissued in management letter.
2012-009	Ohio Rev. Code § 733.40 for failure to remit Mayor's Court fines to the Village in a timely manner.	No	Not Corrected. Reissued as Finding 2014-001
2012-010	Ohio Rev. Code § 2949.091 for failure to remit Mayor's Court fines due to the State in a timely manner.	No	Not Corrected. Reissued as Finding 2014-002
2012-011	Ohio Rev. Code § 5705.10(H) for negative fund balance.	No	Not Corrected. Reissued as Finding 2014-003
2012-012	Ohio Rev. Code § 5705.36 (A)(4) for appropriations exceeding actual resources		No longer required for testing.
2012-013	Ohio Rev. Code § 5705.38(A) for not passing permanent appropriations by the deadline.	No	Not Corrected. Reissued as Finding 2014-004
2012-014	Ohio Rev. Code § 5705.39 for appropriations exceeding estimated resources.	Yes	
2012-015	Ohio Rev. Code § 5705.41(B) for expenditures exceeding appropriations.	No	Not Corrected. Reissued as Finding 2014-006

**VILLAGE OF RUTLAND
MEIGS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-016	Ohio Rev. Code § 5705.41 (D)(1) for not properly encumbering commitments.	No	Not Corrected. Reissued as Finding 2014-007
2012-017	Material weakness for a significant number adjustments and reclassifications as result of the audit.	No	Not Corrected. Reissued as Finding 2014-008
2012-018	Material weakness due to estimated receipts and appropriations per the accounting system did not agree to approved amounts.	No	Not Corrected. Reissued as Finding 2014-005 and in management letter.
2012-019	Noncompliance for late fees and penalties not properly public purpose	No	Partially corrected. Reissued in management letter.
2012-020	Noncompliance for vacation and compensatory balances per policy did not agree to the balance per the system	Yes	
2012-021	26 U.S.C § 3402 for not remitting federal taxes withheld on a timely basis	Yes	
2012-022	Noncompliance with OWDA debt covenants.	Yes	Meigs County assumed the Village's OWDA debt.
2012-023	Material weakness for Village Council not monitoring financial activity	No	Partially corrected; reissued in management letter
2012-024	Material weakness for Utility Department non cash adjustments	No	Significantly different corrective action taken: Meigs County took over operation and management of the Village's utility department.

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Dave Yost • Auditor of State

VILLAGE OF RUTLAND

MEIGS 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 15, 2015**