



Dave Yost • Auditor of State



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July 11, 2018

Village of Glenmont
Holmes County
P.O. Box 476
Glenmont, Ohio 44628

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 Glenmont, Holmes County, (the Village) for the years ended December 31, 2017 and 2016.

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, 2017 and 2016.

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 and accounting issues to report.

Current Year Observations

1. The QuickBooks accounting system does not include Certificates of Deposit in the month end cash balance but includes the balance as assets. The Certificates of Deposits were also not included in the Village's month-end cash reconciliation. Additionally, the Village included \$990 of deposits in transit on the bank reconciliation at December 31, 2017, which was identified in previous engagements as being incorrectly classified.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. The Village should ensure all Certificates of Deposit are properly recorded within the QuickBooks accounting system. Furthermore, the Village should also include the Certificates of Deposit in the month-end cash reconciliations. In addition, the Village should adjust their books to account for the \$990 in errors previously identified and remove the amount from the reconciliation. Our prior audit also reported this deficiency.

2. The Village utilizes the QuickBooks accounting system for Water Utility Charges for Services. However, the QuickBooks system does not provide the Village with a Non-cash Adjustment Report.

Use and review of this report is a critical procedure in assuring all transactions are correctly posted and ensuring the revenue account balance is accurately presented. The Fiscal Officer should maintain a list of non-cash adjustments made to the accounting system.

Current Year Observations (Continued)

3. The Village sends their water customers their bills quarterly. The customers are to pay their bills the next month after the quarter. However, it was noted many of the customers are not paying their bills and there are no policies or procedures in place to ensure the customers pay their balances. Neither the Fiscal Officer nor Council are monitoring overdue accounts and the service is not being shut off to overdue customers.

Village Council should establish policies and procedures with regard to customer billings, payments and shut-off's for non-payment of services.

4. The Village had a variance between actual water receipts posted and water receipts posted to customer accounts. While the Fiscal Officer was able to explain the variance after some investigation, no regular reconciliation was performed during the audit period.

Reconciling between the two systems is a critical control in assuring all transactions are posted accurately and timely. The Fiscal Officer should perform regular reconciliations between the two systems to ensure that water receipts are properly and accurately recorded to customer accounts and general receipt ledger.

5. We noted the District did not file their Financial Statements on the Hinkle System in a timely manner. Ohio Rev. Code Section 117.38 states that 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, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty 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. Any public office not filing the report by the required date shall pay a penalty of \$25 for each day the report remains unfiled, not to exceed \$750. The AOS may waive these penalties, upon the filing of the past due financial report.

The District reports their financial statements on the cash basis of accounting. However, they did not file their 2016 annual report until May 12, 2018, which is more than 60 days after fiscal year-end. By not filing timely, the District is subject to penalties.

The District should ensure their cash basis report is filed with the Auditor of State by the filing deadline of within 60 days of fiscal year-end.

Current Status of Matters Reported in our Prior Engagement

1. In our prior basic audit, we noted the Village did not properly update balances for outstanding Certificates of Deposit within the QuickBooks accounting system. Actual Certificate of Deposit balances exceed recorded balances by \$3,839. This was corrected during this basic audit period.

Furthermore, the prior audit noted the QuickBooks accounting system does not include Certificates of Deposit in the month end cash balance but includes the balance as assets. Therefore, the Certificate of Deposits are not included in the Village's month-end cash reconciliation. In addition, it was noted the Village showed outstanding deposits in transit of \$398 dated 12/12/11, \$38 dated 3/13/15, \$14 dated 8/27/15, \$170 dated 8/27/15, \$369 dated 10/6/15. These were not corrected in the current basic audit period, see current year observation 1.

2. In our prior basic audit, we noted the Village's Quickbooks accounting system did not provide the Village with a Non-cash Adjustment Report as noted above under current observation 2.

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

3. In our prior basic audit, we noted the Village sends their water customers a quarterly bill. The customers are to pay their bills one month after the quarter. However, it was noted many of the customers are not paying their bills and there are no policies or procedures in place to ensure the customers pay their balances see current observation 3.

Additionally, the Village updated their water rates in 2015 but the monthly charges were only posted to the customer accounts through June 2015. Therefore, the customer accounts did not have six months of services posted. This was corrected during the audit period. It was also noted the Fiscal Officer will deposit the customer payments and record the payment in the General Ledger; however, the posting to the customer account may not occur until later. This was corrected during the audit period.



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VILLAGE OF GLENMONT

HOLMES 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, 31 2018