



Dave Yost • Auditor of State



Dave Yost • Auditor of State

Village of Neville
Clermont County
608 Main Street, PO Box 126
Neville, Ohio 45156

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 Neville, Clermont County, Ohio (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 or accounting issues to report.

Current Year Observations

1. **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. 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 2016 and 2017 annual reports on March 27, 2017 and September 14, 2018, respectively, and no extensions were obtained. The 2016 annual report did not include footnotes. The Village refiled the 2016 annual report including the footnotes on September 14, 2018. Failure to file an annual report in the required time frame could result in a penalty of twenty-five dollars for each day the report remains unfiled, not to exceed seven hundred fifty dollars. The Auditor of State may waive these penalties, upon the filing of the past due financial report. Additionally, the lack of an annual report could result in auditing difficulties.

We recommend the Village file its annual report at the end of each fiscal year within the allotted timeframe with the Auditor of State's Office.

2. The Village received cash proceeds totaling \$4,500 for the sale of a cabin (building structure) on October 16, 2017, however the monies were not deposited in the bank account or recorded as a receipt in the accounting system in a timely manner. **Ohio Rev. Code § 9.38** provides that public money must be deposited with the designated depository on the business day next following the day of receipt. The Village deposited the cash receipt on November 29, 2018.

We recommend the Village deposit and record cash receipts within 24 hours or the next business day.

3. Payroll withholdings for Ohio income tax totaling \$156 were not remitted for the year ended December 31, 2017. **Ohio Rev. Code § 5747.13(A)** provides that if any employer collects the tax imposed by section 5747.02 or under Chapter 5748 of the Revised Code and fails to remit the tax as required by law, or fails to collect the tax, the employer is personally liable for any amount collected that the employer fails to remit, or any amount that the employer fails to collect.

We recommend the Village review and submit all liabilities to the Ohio Department of Taxation when required in order to avoid penalties and interest expenses. Payments of penalties and interest could result in a finding for recovery. This matter will be referred to the Ohio Department of Taxation.

4. Payroll withholdings and employer matching contributions for Medicare and Social Security taxes totaling \$4,393 were not remitted for the year ended December 31, 2017. **26 United States Code § 3403** states the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter.

We recommend the Village review and submit all liabilities to the IRS when required in order to avoid unnecessary expense in penalties and interest. Payments of penalties and interest could result in a finding for recovery. This matter will be referred to the Internal Revenue Service (IRS).

Current Status of Matters Reported in our Prior Engagement

We noted the payroll withholdings for Ohio income tax, Federal income tax, Medicare, and Social Security were not remitted for the year ended December 31, 2015. Our current year observations found this condition was not corrected.



Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2018



Dave Yost • Auditor of State

VILLAGE OF NEVILLE

CLERMONT 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
JANUARY 3, 2019**