

**VILLAGE OF OSTRANDER**

**DELAWARE COUNTY**

**JANUARY 1, 2016 TO DECEMBER 31, 2016  
AGREED UPON PROCEDURES**





# Dave Yost • Auditor of State

Village Council  
Village of Ostrander  
P.O. Box 35  
Ostrander, Ohio 43061

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Ostrander, prepared by Julian & Grube, Inc., for the period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Ostrander is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 14, 2017

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

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### **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Village of Ostrander  
Delaware County  
P.O. Box 35  
Ostrander, Ohio 43061

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of the Village of Ostrander (the "Village") and the Auditor of State, on the receipts, disbursements and balances recorded in the Villages cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Village. The Village is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

#### **Cash**

1. We recalculated the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning fund balances recorded in the Cash Journal Report to the December 31, 2014 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Cash Journal Report to the December 31, 2015 balances in the Cash Journal Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and 2015 fund cash balances reported in the Cash Journal Reports. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances with the Village's financial institutions. We found no exceptions.

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statements. We found no exceptions.
  - b. We traced the amounts and dates to the Cash Journal Report, to determine the debits were dated prior to December 31. There were no exceptions.
6. We selected all two reconciling credits (such as deposits in transit) haphazardly from the December 31, 2016 bank reconciliation:
  - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the Cash Journal Report. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.

### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the "Statement") for 2016 and one from 2015:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipts Ledger Report. The amounts agreed.
  - b. We inspected the Receipts Ledger Report to confirm whether the receipt was allocated to the proper funds required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Receipts Ledger Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Receipts Ledger Report to determine whether it included two real estate tax receipts for 2016 and 2015. The Receipts Ledger Report included the proper number of tax receipts for each year.
3. We haphazardly selected five receipts from the State Distribution Transaction Lists (DTL) from 2016 and five from 2015. We also haphazardly selected five receipts from the County Auditor's Vendor Report from 2016 and five from 2015.
  - a. We compared the amount from the above reports to the amount recorded in the Receipts Ledger Report. The amounts agreed.
  - b. We inspected the Receipts Ledger Report to determine whether that these receipts were allocated to the proper funds. We found no exceptions.
  - c. We inspected the Receipts Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from the Ohio Public Works Commission (the "Commission") to the Village during 2016 and 2015 with the Commission. We also confirmed the amounts paid from Westport Homes to the Village during 2016 and 2015. We found no exceptions with the Westport Homes confirmation. We also agreed the amounts received from a land purchase to the Delaware County auditor's website. We found no exceptions.
  - a. We inspected the Receipts Ledger Report to determine whether these receipts were allocated to the proper fund. Monies received from the Commission related to the Village's Waste Water Treatment Plant upgrades were recorded in the Sewer Operating fund. A separate Sewer Improvement fund should have been established per the Village Handbook.
  - b. We inspected the Receipts Ledger Report to determine whether the receipts were recorded in the proper year. One Commission loan receipt related to the Waste Water Treatment Plant upgrades in the amount of \$48,529.20 was recorded in 2016, and should have been recorded in 2015. The Clerk/Treasurer received notification of payment mailed by the Commission on January 11, 2016, in 2016.

**Sewer Fund**

1. We haphazardly selected 10 Sewer Fund collection cash receipts from the year ended December 31, 2016 and 10 Sewer Fund collection cash receipts from the year ended 2015 recorded in the Sewer Cash Receipt Journal and determined whether the:
  - a. Receipt amount per the Sewer Cash Receipt Journal agreed to the amount recorded to the credit of the customer's account in the Sewer New Charge Report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Sewer New Charge Report for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the audit period. We found no exceptions.
  - c. Receipt was posted to the proper funds, and was recorded in the year received. We found no exceptions.
2. We observed the Sewer Delinquent Report.
  - a. This report listed \$20,681.19 and \$19,691.88 of accounts receivable as of December 31, 2016 and 2015, respectively.
  - b. Of the total receivables reported in the preceding step, \$2,128.80 and \$1,562.12 were recorded as more than 90 days delinquent.
3. We observed the Monthly Cash Receipts Journal.
  - a. This report listed a total of \$29,997,997.81 and \$7,331.99 non-cash receipts adjustments for the years ended December 31, 2016 and 2015, respectively. The 2016 amount was primarily due to a computer issue.
  - b. We haphazardly selected five non-cash adjustments from 2016 and five non-cash adjustments from 2015, and observed that the Board of Public Affairs did not approve any adjustments.

**Debt**

1. From the prior audit documentation, we observed the following bonds and notes were outstanding as of December 31, 2014. These amounts agreed to the Villages January 1, 2015 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2014:
Ohio Water Development Authority Note	\$29,043
USDA Rural Development Bonds	\$98,550

2. We inquired of management, and inspected the Receipts Ledger Report and Appropriation Ledger Report for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. All debt observed agreed to the summary we used in step 3 except in 2015, Commission loan proceeds and ending balance at December 31, 2015 was excluded in the amount of \$135,428.20. Additionally, all agreed except in 2016, beginning loan balance was overstated by \$73,280.97 and 2016 proceeds excluded the same amount. The Clerk/Treasurer recorded after notification of loan fully disbursed.
3. We obtained a summary of bonds and notes debt activity for 2016 and 2015 and agreed principal and interest payments from the related debt amortization schedules to Sewer Operating fund payments reported in the Appropriation Ledger Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Sewer Operating fund per the Receipts Ledger Report. The amounts agreed. The Village recorded Commission proceeds in the Sewer Operating fund instead of a Sewer Improvement fund.

5. For new debt issued during 2016 and 2015, we inspected the debt legislation, which stated the Village must use the proceeds for Waste Water Treatment Plant upgrades. We inspected the Appropriation Ledger Report and observed the Village used the proceeds for Waste Water Treatment Plant upgrades.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Payroll Record Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Record Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2016 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2016. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2017	January 27, 2017	\$1,266.04	\$1,266.04
State income taxes	January 31, 2017	January 30, 2017	\$73.91	\$73.91
OPERS retirement	January 31, 2017	January 27, 2017	\$832.17	\$832.17
School District Income Tax	January 31, 2017	January 30, 2017	\$81.94	\$81.94

**Non-Payroll Cash Disbursements**

1. From the Appropriation Ledger Report, we re-footed checks recorded as General Fund disbursements for security of persons and property, and checks recorded as contractual services in the Sewer fund for 2016. We found no exceptions.
2. We haphazardly selected ten disbursements from the Cash Journal Report for the year ended December 31, 2016 and ten from the year ended 2015 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Cash Journal Report and to the names and amounts on the supporting invoices. We found no exceptions.
  - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
  - d. The Clerk/Treasurer did not certify any disbursements requiring certification or issue a *Then and Now Certificate*, as required by Ohio Revised Code Section 5705.41(D). Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used.



### Compliance – Budgetary

1. We compared the total estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipts Ledger Report for the General, Street Construction, Maintenance and Repair and Sewer Operating funds for the years ended December 31, 2016 and 2015. In 2016, the amounts agreed except for the amounts recorded in the Receipts Ledger Report were \$37,002 less than the amended certificate in the General fund, and the amounts recorded in the Receipts Ledger Report were \$14,000 more than the amended certificate in the Sewer Operating fund. In 2015, the amounts agreed except for the amounts recorded in the Receipts Ledger Report were \$11,000 more than the amended certificate in the Sewer Operating fund. The fiscal officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Council may be using inaccurate information for budgeting and to monitor spending.
2. We inspected the appropriation measures adopted for 2016 and 2015 to determine whether, for the General, Street Construction, Maintenance and Repair and Sewer Operating funds, the Council appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger Report for 2016 and 2015 for the following funds: General, Street Construction, Maintenance and Repair and Sewer Operating funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger report except for in 2015, the Appropriation Ledger Report was \$21,145.40 less than approved appropriation resolutions in the General fund, and the Appropriation Ledger Report was \$500 less than approved appropriation resolutions in the Street Construction, Maintenance and Repair fund.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General, Street Construction and Maintenance and Sewer Operating funds for the years ended December 31, 2016 and 2015. We observed no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2016 and 2015 for the General, Street Construction, Maintenance and Repair and Sewer Operating fund, as recorded in the Appropriation Ledger Report and as approved by Council. We observed no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Receipt Ledger Report for evidence of new restricted receipts requiring a new fund during December 31, 2016 and 2015. We also inquired of management regarding whether the Village received new restricted receipts. We observed the Village received new restricted receipts from the Commission for which Ohio Rev. Code Section 5705.09 would require the Village to establish a new Sewer Improvement fund. All payments were on-behalf.
7. For funds existing in prior years, inspect the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. All the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.

8. We inspected the 2016 and 2015 Receipts Ledger Reports and Appropriation Ledger Reports for evidence of interfund transfers exceeding \$0 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
9. We inquired of management and inspected the Cash Journal Reports to determine whether the Village elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. The Village did not establish these reserves.
10. We inspected the Cash Reconciliation - Summary of Fund Cash Balances included in the Annual Report for the years ended December 31, 2016 and 2015 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

### **Compliance – Contracts & Expenditures**

We inquired of management and inspected the Cash Journal Report for the years ended December 31, 2016 and 2015 to determine if the Village proceeded by force account (i.e. used its own employees) to maintain or repair roads (cost of project exceeding \$30,000) or to construct or reconstruct Village roads (cost of project \$30,000/per mile) for which Ohio Rev. Code Sections 117.16(A) and 723.52 requires the Village engineer, or officer having a different title but the duties and functions of an engineer, to complete a force account project assessment form (i.e., cost estimate). We identified no projects requiring the completion of the force account assessment form.

### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We confirmed the Village filed their complete financial statements, as defined by AOS Bulletin 2016-007, within the allotted timeframe for the years ended December 31, 2016 and 2015. There were no exceptions except financial information for 2015 was filed on March 2, 2016 which was not within the allotted timeframe, due to a computer issue.
2. We inquired of the Clerk/Treasurer and/or inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the Clerk/Treasurer obtained the training required by Ohio Rev. Code Section 507.12 and 733.81. Clerk/Treasurer obtained 6 of the 12 hours of required training. Current term expires December 31, 2019. Clerk/Treasurer has the remainder of the term to obtain 6 additional hours of continuing education, of which 2 hours must include ethics training.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is for the use of the Village to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.





# Dave Yost • Auditor of State

VILLAGE OF OSTRANDER

DELAWARE 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 27, 2017