



Dave Yost • Auditor of State

VILLAGE OF SALESVILLE
GUERNSEY COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Salesville
Guernsey County
Jared Sheppard, Fiscal Officer
PO Box 306
Quaker City, Ohio 43773

Village of Quaker City
Guernsey County
Crystal Vargo, Fiscal Officer
PO Box 156
Quaker City, Ohio 43773

Millwood Township
Guernsey County
Crystal Vargo, Fiscal Officer
PO Box 176
Quaker City, Ohio 43773

We have performed the procedures enumerated below, as of February 22, 2017 for the period January 1, 2014 through February 22, 2017 (date check issued to Millwood Township, Guernsey County and Village of Quaker City, Guernsey County), which were agreed to by the addressees, solely to assist you in the dissolution of corporate powers of the Village of Salesville, Guernsey County, Ohio (the Village). The dissolution of the Village is the responsibility of the Village Fiscal Officer. 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*. The sufficiency of the procedures is solely the responsibility of the addressees. 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.

Confirmation of Closure of Operations:

The Village passed Resolution 2015-010, titled Petition for the Surrender of the Corporate Powers of the Village of Salesville, Guernsey County and filed the Resolution with the Guernsey County Recorder on July 14, 2016 to be placed on the November 3, 2015 ballot. We confirmed with the Guernsey County Board of Elections that the Village residents voted in favor of the Village to surrender its corporate powers and cease to exist in accordance with Ohio Rev. Code Section 703.20. The Village residents voted on November 3, 2015, to surrender its corporate powers.

Bank Statement Reconciliation

1. We reviewed the latest available bank statement at December 31, 2016, and performed the following procedures:
 - a. Confirmed the bank balance presented at the appropriate depository;
 - b. Agreed reconciling items to supporting documentation;
 - c. Agreed the reconciled cash balance to the total balances in the Fund Status Report.

We found no exceptions. We noted the bank account balance at December 31, 2016 was \$57,734.83. The bank/book balance at February 22, 2017 was \$59,443.07.

2. We agreed the January 1, 2014 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2013 balances in the prior year workpapers. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2014 balances in the Fund Ledger Report. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We agreed one property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2016, 2015 and 2014.
 - a. We traced the gross receipts from the Statement to Receipt Register Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2016, five from 2015 and five from 2014. We also selected five receipts from the County Auditor's Cross Reference Report from 2016, five from 2015 and five from 2014.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
3. We confirmed the semi-annual utility amounts paid from the Village of Quaker City to the Village during 2016, 2015 and 2014. We found no exceptions. Also, we confirmed the oil and gas bonus check amount from Carrizo Oil and Gas, Inc., during 2014 to the lease agreement. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Water Fund

1. We haphazardly selected 10 water billings from the Billing Summary Report from years ended December 31, 2015 and December 2014 and 5 water billings from the Billing Summary Report from the year ended December 31, 2016 recorded in the Customer Payment Report and determined whether the:

Water Fund (Continued)

- a. Receipt amount per the water billing stub agrees to the amount recorded to the credit of the customer's account in the Customer Payment Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the amount posted to the Billing Summary Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit period multiplied by the consumption amount recorded for the billing period, plus any unpaid prior billings. We found no exceptions.
3. We tested one semi-annual payment from Village of Quaker City to the Village of Salesville for 2016, 2015 and 2014.
- a. We tested the semi-annual distribution from Village of Quaker City for proper calculation of amount due to Village of Salesville per the contractual agreement. We found no exceptions.

Debt

1. From the prior audit documentation, we noted the following loan outstanding as of December 31, 2013. This amount agreed to the Village's January 1, 2014 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2013:
OPWC Loan	\$22,047.77

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2014 through December 31, 2016. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of bonded debt activity for January 1, 2014 through December 31, 2016 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the Payment Register Detail 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 confirmed with the Ohio Public Works Commission (OPWC) that outstanding debt with the Village will transfer to the Village of Quaker City. We noted a letter dated June 16, 2016 from Village Quaker City that was submitted to and accepted by OPWC on July 13, 2016 to assume all outstanding debt. The amount outstanding at December 31, 2016 was \$13,779.86.

Payroll Cash Disbursements

1. We selected one payroll check for one employee from the Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions. Because we did not test all monthly payments, our report provides no assurance whether or not other similar errors occurred.
 - b. We determined whether the fund and account code to which the check was posted was reasonable based on the employees' duties as documented in the minute record. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. We scanned the last remittance of tax and retirement withholdings to determine whether 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 noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security)	8/31/16	1/26/17	\$247.65	\$247.65
State income taxes	8/31/16	8/30/16	\$4.22	\$4.22
OPERS retirement	8/31/16	8/30/16	\$69.60	\$69.60

Non-Payroll Cash Disbursements

1. We haphazardly selected five disbursements from the Payment Register Detail Report for the period ended December 31, 2016, ten for the year ended 2015 and ten from the year ended 2014 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 Payment Register Detail 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.
2. We inquired of the Fiscal Officer of the nature of any outstanding, unpaid, obligations. As of February 22, 2017, we were not aware of any unpaid obligations.
3. We agreed the payment of the Village book balance cash amount and delivery of any outstanding obligations list to the Village of Quaker City and Millwood Township, Guernsey County, as the final closure of account activity on February 22, 2017.

Capital Assets

1. We determined that the Village has notified the Village of Quaker City of the location, description, and address of buildings, vehicles, and equipment to be transferred to the Village's ownership. The Quit Claim deed was filed with the Guernsey County Recorder on August 29, 2016. The Village of Quaker City signed the Agreement prepared by Village of Salesville that listed the assets to be transferred on February 22, 2017. The Village of Salesville presented check #3325 to Village of Quaker City on February 22, 2017 for \$9,283.42.
2. We determined that the Village has notified Millwood Township, Guernsey County, of the location, description, and address of buildings, vehicles, and equipment to be transferred to the Township's ownership. The Quit Claim deed was filed with the Guernsey County Recorder on August 29, 2016. Millwood Township, Guernsey County signed the Agreement prepared by Village of Salesville that listed the assets to be transferred on February 22, 2017. The Village of Salesville presented check #'s 3326 and 3327 to Millwood Township on February 22, 2017 for \$50,159.65.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances* or *Amended Official Certificate of Estimated Resources*, if there was an amendment, required by Ohio Rev. Code § 5705.36(A)(1), to the amounts recorded in the *Comparison of Budget and Appropriated Report* for the General, Street Construction, Maintenance and Repair and Enterprise Debt Funds for the years ended December 31, 2016, 2015 and 2014. The amounts agreed.
2. We scanned the appropriation measures adopted for 2016, 2015 and 2014 to determine whether, for the General, Street Construction, Maintenance and Repair and Enterprise Debt Funds, the Trustees appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code § 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code §§ 5705.38 and 5705.40, to the amounts recorded in the *Comparison of Budget and Appropriated Report* for 2016, 2015 and 2014 for the following funds: General, Street Construction, Maintenance and Repair and Enterprise Debt. The amounts agreed.
4. Ohio Rev. Code §§ 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, Maintenance and Repair and Enterprise Debt Funds for the years ended December 31, 2016, 2015 and 2014. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code § 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, 2015 and 2014 for the General, Street Construction, Maintenance and Repair and Enterprise Debt Funds, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code § 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Register Report for evidence of new restricted receipts requiring a new fund during the years ended December 31, 2016, 2015 and 2014. We also inquired of management regarding whether the Township received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code § 5705.09 would require the Township to establish a new fund.
7. We scanned the 2016, 2015 and 2014 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$500 which Ohio Rev. Code §§ 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which § 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
8. We inquired of management and scanned the Appropriation Status Reports to determine whether the Township elected to establish reserve accounts permitted by Ohio Rev. Code § 5705.13. We noted the Township did not establish these reserves.
9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2016, 2015 and 2014 for negative cash fund balance. Ohio Rev. Code § 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. We noted no fund having a negative cash fund balance.

Other Compliance

Ohio Rev. Code Section 117.38 requires townships to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Township filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. The financial information for 2015 was filed timely, but the financial information for 2014 was filed on April 1, 2015 which was not within the allotted timeframe.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Village's receipts, disbursements, balances and compliance with certain laws and regulations and final closure activity. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

February 22, 2017



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VILLAGE OF SALESVILLE

GUERNSEY 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
MARCH 9, 2017