

VILLAGE OF SHERRODSVILLE

CARROLL COUNTY, OHIO

AGREED UPON PROCEDURES

For the Years Ended December 31, 2013 and 2012





Dave Yost • Auditor of State

Village Council
Village Of Sherrodsville
15 South Sherrod Avenue, P.O. Box 31
Sherrodsville, Ohio

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village Of Sherrodsville, Carroll County, prepared by Charles E. Harris & Associates, Inc., for the period January 1, 2012 through December 31, 2013. 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 Sherrodsville is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

April 29, 2014

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VILLAGE OF SHERRODSVILLE
CARROLL COUNTY
Audit Report
For the Years Ended December 31, 2013 and 2012

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Sherrodsville
Carroll County
15 South Sherrod Avenue, P.O. Box 31
Sherrodsville, Ohio

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Sherrodsville (the Village) and the Auditor of State have agreed, solely to assist the Council and Mayor in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2013 and 2012 and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management, the Mayor, and / or the Council are responsible for complying with the compliance requirements. 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 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 tested the mathematical accuracy of the December 31, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2012 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2013 and 2012 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2013 bank account balance with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2013 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register to determine the debits were dated prior to December 31. We noted no exceptions.

Property Taxes and Intergovernmental Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2013 and one from 2012:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts for 2013 and 2012. We noted the Receipts Register Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2013 and five from 2012. We also selected five receipts from the County Auditor's Cross Reference Report by Vendor Number from 2013 and five from 2012.
 - 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 funds. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Income Tax Receipts

1. We selected five income tax returns filed during 2013 and five from 2012.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the deposit slip. The amounts agreed.
 - b. We compared the deposit slip total from step a. to the amount recorded as income tax receipts in the Receipt Register Report for that date. The amounts agreed.
2. We determined whether the receipts were recorded in the year received. We found no exceptions.
3. We selected all income tax refunds from 2013. There were no refunds issued in 2012.
 - a. We compared the refund paid from Payment Register Detail Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We noted each of the refunds was approved by the Fiscal Officer.
 - c. We noted the refunds were paid from the General Fund, as is required.

Charges for Services

1. We read the Aging Call Detail Report.
 - a. We noted this report listed \$18,909 and \$18,423 of accounts receivable as of December 31, 2013 and 2012, respectively.
 - b. Of the total receivables reported in the preceding step, \$1,607 and \$5,220 were recorded as more than 90 days delinquent.

2. We attempted to obtain a non-cash A/R adjustment report. However, the Village was unable to provide this report.
3. We haphazardly selected five run sheets and agreed the patient name and service date to the related amounts billed and the amount debited to accounts receivable from the year ended December 31, 2013; and five from the year ended December 31, 2012. Per the table below, we noted no exceptions.

2013

	Amount Billed per the Billing / Run Report, 2013	Amount Debited to Accounts Receivable
1.	\$619.80	\$619.80
2.	591.00	591.00
3.	686.20	686.20
4.	711.00	711.00
5.	425.20	425.20

2012

	Amount Billed per the Billing / Run Report, 2012	Amount Debited to Accounts Receivable
1.	\$669.40	\$669.40
2.	635.00	635.00
3.	612.60	612.60
4.	699.00	699.00
5.	598.20	598.20

We also agreed the amounts billed above to the rates in force as of the service date. We noted no exceptions.

4. We haphazardly selected five receipts recorded in the cash receipts records from the year ended December 31, 2013 and five from the year ended December 31, 2012. We compared the receipt to the amount credited to accounts receivable records and credited in the bank statement. We also compared the date the payment was recorded in the cash receipts records to the date deposited per the bank statement. Per the table below, the amounts agreed and the cash was deposited timely.

2013

	Amount Recorded in Cash Receipts Records, 2013	Amount Credited to Accounts Receivable	Amount Deposited per Bank Statement	Date Recorded in Cash Receipts Records	Date Deposited per Bank Statement
1.	\$572.77	\$572.77	\$572.77	1/29/2013	1/29/2013
2.	723.25	723.25	723.25	2/12/2013	2/14/2013
3.	549.90	549.90	549.90	2/14/2013	2/14/2013
4.	631.00	631.00	631.00	3/19/2013	3/19/2013
5.	760.80	760.80	760.80	3/19/2013	3/19/2013

2012

	Amount Recorded in Cash Receipts Records, 2012	Amount Credited to Accounts Receivable	Amount Deposited per Bank Statement	Date Recorded in Cash Receipts Records	Date Deposited per Bank Statement
1.	\$715.80	\$715.80	\$715.80	1/30/2012	1/30/2012
2.	700.00	700.00	700.00	2/28/2012	2/28/2012
3.	512.80	512.80	512.80	5/9/2012	5/9/2012
4.	567.77	567.77	567.77	5/9/2012	5/9/2012
5.	525.34	525.34	525.34	5/9/2012	5/9/2012

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2011.
2. We inquired of management and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. We noted no new debt issuances, nor any debt payment activity during 2013 or 2012.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 and one payroll check for five employees from 2012 from the Payroll Ledger Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Ledger 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 determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and minute records. We also determined whether the payment was posted to the proper year. We found no exceptions.

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 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 2013. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2014	January 8, 2014	\$749.52	\$749.52
State income taxes	January 15, 2014	January 8, 2014	\$50.40	\$50.40
Village of Sherrodsville income taxes	January 15, 2014	January 17, 2014	\$197.35	\$197.35
OPERS retirement	January 30, 2014	January 8, 2014	\$593.88	\$593.88

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2013 and ten from the year ended December 31, 2012 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.
 - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found four instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. 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. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources* required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Street Construction, Maintenance and Repair and EMS Ambulance Service funds for the years ended December 31, 2013 and 2012. The amounts agreed.


2. We scanned the appropriation measures adopted for 2013 and 2012 to determine whether, for the General, Street Construction, Maintenance and Repair and EMS Ambulance Service 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 Status Report for 2013 and 2012 for the following funds: General, Street Construction, Maintenance and Repair and EMS Ambulance Service. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report.
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, Maintenance and Repair and EMS Ambulance Service funds for the years ended December 31, 2013 and 2012. We noted 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, 2013 and 2012 for the General, Street Construction, Maintenance and Repair and EMS Ambulance Service fund, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 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 December 31, 2013 and 2012. We also inquired of management regarding whether the Village received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the Village to establish a new fund.
7. We scanned the 2013 and 2012 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$500 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.
8. We inquired of management and scanned the Appropriation Status Reports to determine whether the Village elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the Village did not establish these reserves.
9. We scanned the Fund Ledger Report for the years ended December 31, 2013 and 2012 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. We noted no funds having a negative cash fund balance.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2013 and 2012 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.

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. 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 the Auditor of State, and others within the Village and is not intended to be, and should not be used by anyone other than these specified parties.



Charles E. Harris & Associates, Inc.

March 24, 2014

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Dave Yost • Auditor of State

VILLAGE OF SHERRODSVILLE

CARROLL 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
MAY 13, 2014