



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Cridersville
Auglaize County
110 West Main Street
Cridersville, Ohio 45806

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Cridersville, Auglaize County (the Village) 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, 2014 and 2013, 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, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2013 beginning fund balances recorded in the Year to Date Fund Statement to the December 31, 2012 balances in the prior year audited statements. The amounts did not agree. The Village made a transposition error when recording a prior audit period adjustment in the amount of \$360 for the General and Capital Project funds. Recording errors can result in the material misstatement of the financial statements, inhibit the ability of Council and the Mayor to monitor financial activity, and could result in noncompliance with budgetary laws. After recording adjustments or other financial activity, the records should be reviewed for errors. The Village has adjusted their accounting records to correct this recording error.

We also agreed the January 1, 2014 beginning fund balances recorded in the Year to Date Fund Statement to the December 31, 2013 balances in the Year to Date Fund Statement. We found no exceptions.

3. We agreed the totals per the bank reconciliations to the total of the December 31, 2014 and 2013 fund cash balances reported in the Year to Date Fund Statement. The amounts agreed.
4. We observed the December 31, 2014 year-end balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2014 bank reconciliation without exception.

Cash (Continued)

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2014 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.
6. We tested interbank account transfers occurring in December of 2014 and 2013 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

Intergovernmental Receipts

1. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2013. We also selected five receipts from the County Auditor's Vendor Detail Report from 2013.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue History 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.

Water and Sewer Fund

1. We haphazardly selected 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2014 and 10 Water and Sewer Fund collection cash receipts from the year ended 2013 recorded in the Cash Receipts Journal and determined whether the:
 - a. Receipt amount per the Cash Receipts Journal agreed to the amount recorded to the credit of the customer's account in the New Charges Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the New Charges Journal 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 applicable late penalties, plus unpaid prior billings. 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 read the Cash Receipts Journal.
 - a. We noted this report listed \$722,502.54 and \$657,649.22 of accounts receivable as of December 31, 2014 and 2013, respectively.
 - b. The Village's system does not show more than 90 days delinquent accounts.
3. We read the Cash Receipts Journal.
 - a. We noted this report listed a total of \$43,383.41 and \$311,368.99 non-cash receipts adjustments for the years ended December 31, 2014 and 2013, respectively.
 - b. We selected five non-cash adjustments from 2014 and five non-cash adjustments from 2013, and noted that the Village Administrator approved each adjustment.

Debt

1. From the prior audit documentation, we noted the following loans outstanding as of December 31, 2012. These amounts agreed to the Villages January 1, 2013 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2012:
OPWC National Road Resurfacing – CM18L	\$56,795.90
OPWC 1993 Street Resurfacing Loan – CM506	\$876.06
OPWC North St/North Place – CM29A	\$13,811.68
OPWC Wyandot Street – CM21D	\$34,125.00
OPWC Sunrise/W.Sugar Street – CM31E	\$16,837.10
OPWC 2005 Sanitary Sewer Rehab – CM17J	\$84,881.20
OPWC Water Plant Improvement – CM15H	\$124,466.30
OWDA Water Tower - 3278	\$456,461.78
OWDA Waste Water Planning - 4155	\$2,050.00
OWDA 2010 Waste Water Treatment Plant - 5616	\$1,780,520.00

2. We inquired of management, and scanned the Revenue History Report and Budget History Report for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of lease and loan debt activity for 2014 and 2013 and agreed principal and interest payments from the related debt amortization schedules to debt service fund payments reported in the Budget History Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2014 and one payroll check for five employees from 2013 from the Payroll Distribution Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Distribution Journal to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files or as required by statute. 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, 2014 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 2014. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2015	January 12, 2015	\$13,894.05	\$13,894.05
State income taxes	January 15, 2015	December 22, 2014	\$843.37	\$843.37
Cridersville income taxes	January 30, 2015	December 9, 2014	\$389.44	\$389.44
OPERS retirement	January 30, 2015	January 6, 2015	\$3,261.35	\$3,261.35
OP&F retirement	January 31, 2015	December 23, 2014	\$3,801.81	\$3,801.81

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Budget History Report for the year ended December 31, 2014 and ten from the year ended 2013 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 Budget History 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 seventeen 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 final *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue History Report for the General, Street and Capital Projects/OPWC funds for the years ended December 31, 2014 and 2013. The amounts agreed for 2014. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General Fund in 2013. The Revenue History Report recorded budgeted (i.e. certified) resources for the General fund of \$940,217.74 for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$948,128.74. The fiscal officer should periodically compare amounts recorded in the Revenue History Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, Council may be using inaccurate information for budgeting and to monitor spending.
2. We scanned the appropriation measures adopted for 2014 and 2013 to determine whether, for the General, Street and Capital Projects/OPWC 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 Budget History Report for 2014 and 2013 for the following funds: General, Street and Capital Projects/OPWC. The amounts on the appropriation resolutions agreed to the amounts recorded in the Budget History 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 and Capital Projects/OPWC funds for the years ended December 31, 2014 and 2013. 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, 2014 and 2013 for the General, Street and Capital Projects/OPWC funds, as recorded in the Budget History Report. We noted no funds for which expenditures exceeded appropriations.

Compliance – Budgetary (Continued)

6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Revenue History Report for evidence of new restricted receipts requiring a new fund during December 31, 2014 and 2013. 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 2014 and 2013 Revenue History Reports and Budget History Reports for evidence of inter-fund transfers exceeding \$40,000 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 Year-to-Date Fund Statements 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 Year-to-Date Fund Statement for the years ended December 31, 2014 and 2013 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 Budget History Report for the years ended December 31, 2014 and 2013 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, and others within the Village, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

Columbus, Ohio

May 29, 2015

This page intentionally left blank.



Dave Yost • Auditor of State

VILLAGE OF CRIDERSVILLE

AUGLAIZE 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
JUNE 23, 2015**