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1907 Grand Central Ave.
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1310 Market Street, Suite 300
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**VILLAGE OF ATTICA
SENECA COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2016 and 2015**

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Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

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- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Village Council
Village of Attica
20 South Main Street
P.O. Box 564
Attica, Ohio 44807-0564

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Attica, Seneca County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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 Attica is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

August 21, 2017

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VILLAGE OF ATTICA
SENECA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

July 21, 2017

Village of Attica
Seneca County
20 South Main Street
P.O. Box 564
Attica, Ohio 44807-0564

To the Village Council, Mayor, and Management:

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor, and the management of the **Village of Attica**, Seneca County, Ohio (the Village) and the Auditor of State, on the receipts, disbursements and balances recorded in the Village's 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 and Investments

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 Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) to the December 31, 2014 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) to the December 31, 2015 balances in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis). We found no exceptions.

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Cash and Investments (Continued)

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 Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis). The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2016 bank reconciliation without exception.
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 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. There were no exceptions.
6. We traced interbank account transfers occurring in December of 2016 and 2015 to the accounting records and bank statements to determine if they were properly recorded. Water and Sewer bills are directly paid to the local bank and deposited into an account that the Village does not control. After the bank receives these payments, the bank then transfers these deposits to the Village's checking account. We recommend that individual water and sewer collections be paid directly into an account the Village controls, which can then be transferred into the Village's operating account.
7. We inspected investments held at December 31, 2016 and December 31, 2015 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

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 Revenue Ledger. The amounts agreed.
 - b. We inspected the Revenue Ledger to confirm 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 inspected the Revenue Ledger to determine whether it included two real estate tax receipts for 2016 and 2015. The Revenue Ledger included the proper number of tax receipts for each year.
2. We inspected the Revenue Ledger to determine whether it included two real estate tax receipts for 2016 and 2015. The Revenue Ledger included the proper number of tax receipts for each year.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (Continued)

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 Seneca County Audit Trail by Vendor Report from 2016 and five from 2015.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We inspected the Revenue Ledger to determine whether these receipts were allocated to the proper funds. We found no exceptions. However, we noted rollback receipts were classified as Property and Other Local Taxes instead of Intergovernmental.
 - c. We inspected the Revenue Ledger 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 to the Village during 2016 and 2015 with the Commission. We found no exceptions.
 - a. We inspected the Revenue Ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Water Operating, Sewer Operating, Water Improvement, Sewer Improvement, Water Debt, and Sewer Debt Funds

1. We haphazardly selected 10 Water Operating, Sewer Operating, Water Improvement, Sewer Improvement, Water Debt and Sewer Debt Funds collection cash receipts from the year ended December 31, 2016 and 10 Water Operating, Sewer Operating, Water Improvement, Sewer Improvement, Water Debt and Sewer Debt Funds collection cash receipts from the year ended 2015 recorded in the Revenue Ledger and determined whether the:
 - a. Receipt amount per the Revenue Ledger agreed to the amount recorded to the credit of the customer's account in the Customer History Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Customer History 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 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 observed the Aged Trial Balance Report.
 - a. This report listed \$79,572 and \$72,264 of accounts receivable as of December 31, 2016 and 2015, respectively.
 - b. Of the total receivables reported in the preceding step, \$9,704 and \$10,066 were recorded as more than 90 days delinquent.
3. We observed the Billing Journal Report.
 - a. This report listed a total of \$326,753 and \$3,548 non-cash receipts adjustments for the years ended December 31, 2016 and 2015, respectively.
 - b. We haphazardly selected five non-cash adjustments from 2016 and five non-cash adjustments from 2015, and noted all adjustments selected were not approved. We recommend the Village implement a formal approval policy for all adjustments made to accounts.

Debt

1. From the prior agreed-upon-procedures documentation, we noted the following loans outstanding as of December 31, 2014. These amounts agreed to the Village's January 1, 2015 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2014:
OPWC CP32I	\$36,026
OPWC CP904	\$8,970
OPWC CP428	\$61,682
OWDA #5589	\$132,793
Water System Mortgage Bond Series A (03)	\$2,287,800
Water System Mortgage Bond Series B (05)	\$468,600
Water System Mortgage Bond Series 2007 (06)	\$212,100
Sutton Bank Loan	\$150,595

2. We inquired of management, and inspected the Revenue Ledger and Appropriation Ledger for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of the bonded and loan debt activity for 2016 and 2015 and agreed principal and interest payments reported from the related debt amortization schedules to the Water Operating Fund, Sewer Operating Fund, Sewer Debt Service Fund, General Fund and Police Levy Fund payments reported in the Appropriation Ledger. We also compared the date the debt service payments were due to the date the Village made the payments. We noted payments in 2015 were not always allocated appropriately as Principal Retirement and Interest and Other Fiscal Charges. We also noted one payment was partially posted to the improper fund in 2016. The Fiscal Officer discovered the error and posted a fund balance adjustment to correct the error on March 30, 2017. We noted no other exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Sewer Improvement Fund per the Revenue Ledger. The amounts agreed. However, debt proceeds were improperly classified as Intergovernmental instead of Debt Proceeds.
5. For new debt issued during 2016 and 2015, we inspected the debt legislation, noting the Village must use the proceeds to develop a new wastewater lagoon. We inspected the Appropriation Ledger and noted the Village made payments relating to the wastewater lagoon project during 2016 and 2015.

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 Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Reports to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. 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 the personnel files or minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

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 employers share, where applicable, during the final withholding period of 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, for employees not enrolled in pension system)	January 31, 2017	December 24, 2016	\$ 3,543.71	\$ 3,543.71
State income taxes	January 17, 2017	December 29, 2016	\$ 626.47	\$ 626.47
Village of Green Springs income tax	January 31, 2017	December 30, 2016	\$ 38.04	\$ 38.04
City of Bucyrus income tax	January 31, 2017	December 30, 2016	\$ 70.17	\$ 70.17
School income tax	January 17, 2017	December 30, 2016	\$ 199.02	\$ 199.02
OPERS retirement	January 30, 2017	December 30, 2016	\$ 3,105.39	\$ 3,105.39
OP&F retirement	January 31, 2017	December 30, 2016	\$ 742.56	\$ 742.56

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Appropriation Ledger for the year ended December 31, 2016 and ten from the year ended 2015 and determined whether:
- The disbursements were for a proper public purpose. We found no exceptions.
 - 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 Appropriation Ledger and to the names and amounts on the supporting invoices. We found no exceptions.
 - 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.
 - 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 one instance in 2016 and four instances in 2015 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 inspect all disbursements requiring certification, our report provides no assurances whether or not additional similar errors occurred.
2. We inquired of management and inspected the Appropriation Ledger for the years ended December 31, 2016 and 2015 to determine if the Village had any projects that would require competitive bidding as required by Ohio Rev. Code Section 731.14. We noted the Village participated in a new sewer lagoon project with the Ohio Public Works Commission and proper competitive bidding was performed for this project.

Non-Payroll Cash Disbursements (Continued)

3. We inquired of management and inspected the Appropriation Ledger for the years ended December 31, 2016 and 2015 to determine if the Village incurred related party transactions. We noted the Village utilizes an auto repair shop owned by a Village Council member. The Council member does not approve payments for services and abstains from voting or input in matters relating to these transactions.

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 State Highway Funds for the years ended December 31, 2016 and 2015. The amounts agreed.
2. We inspected the appropriation measures adopted for 2016 and 2015 to determine whether, for the General, Street Construction Maintenance and Repair and State Highway 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 Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2016 and 2015 for the following funds: General, Street Construction Maintenance and Repair and State Highway Funds. 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 State Highway 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 State Highway Funds, as recorded in the Appropriation Status Report. 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 Revenue Ledger 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 no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the Village to establish a new fund.
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 required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.

Compliance – Budgetary (Continued)

8. We inspected the 2016 and 2015 Revenue Ledger and Appropriation Ledger for evidence of interfund transfers exceeding \$1,000 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.
9. We inquired of management and inspected the Appropriation Status Report 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 Summary by Fund for the years ended December 31, 2016 and 2015 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (l) 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 negative cash fund balances.

Compliance – Contracts & Expenditures

We inquired of management and inspected the Appropriation Ledger 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 villages 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 in the Hinkle System. No exceptions noted.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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Dave Yost • Auditor of State

VILLAGE OF ATTICA

SENECA 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
AUGUST 31, 2017