



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of West Alexandria
Preble County
16 North Main Street
West Alexandria, Ohio 45381

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of the Village of West Alexandria (the Village), 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 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 Fund Cash Balance Statement to the December 31, 2014 balances 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 Fund Cash Balance Statement to the December 31, 2015 balances in the Fund Cash Balance Statement. 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 Fund Cash Balance Statement. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances with the Village's financial institutions and we observed the year-end bank balances on the financial institution's website. The balances agreed. 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 statements. 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 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 and Intergovernmental 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 Statement Report. The amounts agreed.
 - b. We inspected the Revenue Statement Report to confirm whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Revenue Statement Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Revenue Statement Report to determine whether it included two real estate tax receipts for 2016 and 2015. The Revenue Statement 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 Preble County Year End Detail Expense Report from 2016 and five from 2015.
 - a. We compared the amount from the above report to the amount recorded in the Revenue Statement Report. The amounts agreed.
 - b. We inspected the Revenue Statement Report to determine whether that these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We inspected the Revenue Statement Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Income Tax Receipts

1. We obtained the Monthly Distributions reports submitted by the Central Collections Agency, the agency responsible for collecting income taxes on behalf of the Village during 2016. We agreed the total gross income taxes for the year to the Village's Receipt Register Report. The amounts agreed.
2. We haphazardly selected five income tax returns filed during 2015.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the Income Tax Payment Journal. The amounts agreed.
 - b. We compared the cash register tape total from step a. to the amount recorded as income tax receipts in the Cleared Items Report for that date. The amounts agreed.

4. We compared the date of the receipts to the date the receipts was posted in the Pay-in Detail Report to determine whether the receipts were recorded in the year received. We found no exceptions.
5. We haphazardly selected five income tax refunds from 2015.
 - a. We compared the refund paid from Income Tax History Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We observed the approval by Income Tax Administrator on each of the refunds. No exceptions were found.
 - c. We observed the refunds were paid from the Income Tax Fund, as is required.

Water, Sewer and Refuse Funds

1. We haphazardly selected 10 Water, Sewer and Refuse Funds collection cash receipts from the year ended December 31, 2016 and 10 Water, Sewer and Refuse Funds collection cash receipts from the year ended 2015 recorded in the Daily Cash Receipt Journals and determined whether the:
 - a. Receipt amount per the Daily Cash Receipt Journals agreed to the amount recorded to the credit of the customer's account in the Customer Balance Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Billing 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 observed the Customer Delinquent Report.
 - a. This report listed \$28,619 and \$26,699 of accounts receivable as of December 31, 2016 and 2015, respectively.
 - b. Of the total receivables reported in the preceding step, \$19,498 and \$15,865 were recorded as more than 90 days delinquent.
3. We observed the Daily Cash Receipt Journal.
 - a. This report listed a total of \$12,589 and \$11,845 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 observed that the Water Supervisor approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loans 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 Public Works Commission Loan CK24C	\$14,269.38

Ohio Public Works Commission Loan CK09E	\$183,397.50
Ohio Public Works Commission Loan CK12G	\$158,762.50
Ohio Water Development Authority Loan #4419	\$961,086.47

2. We inquired of management, and inspected the Revenue Statement Report and Expense Statement 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.
3. We obtained a summary of loan debt activity for 2016 and 2015 and agreed principal and interest payments from the related debt amortization schedules to Water fund payments reported in the Expense Statement 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 Fire Truck Reserve fund per the Revenue Statement Report. The amounts agreed.
5. For new debt issued during 2016 and 2015, we inspected the debt legislation, which stated the Village must use the proceeds to purchase fire equipment. We inspected the Expense Statement Report and observed the Village purchased fire equipment in October of 2016. The unspent balance as of December 31, 2016 was \$4,127.

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 Journal Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Journal Report 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 employees' personnel files. 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:

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	January 7, 2017	\$2,375.61	\$2,375.61
State income taxes	January 15, 2017	January 7, 2017	\$891.84	\$891.84
Village of West Alexandria Income Taxes	January 31, 2017	December 29, 2016	\$535.54	\$535.54

OPERS retirement	January 30, 20107	January 23, 2017	\$9,649.89	\$9,649.89
OP&F retirement	January 31, 2017	January 23, 2017	\$3,444.37	\$3,444.37

3. We inquired of management and scanned the payroll registers to determine the employees paid from both the EMS and Street Funds during the audit period. For employees paid from both the EMS Fund and Street Fund during the audit period, we performed the following:
 - a. Reviewed contracts or management approval for the employees to work in both departments
 - b. Documented the amounts charged to each fund for each pay period for the audit period
 - c. Reviewed the timesheets and/or other documentation supporting the amounts charged to each fund for the audit period.

No exceptions were noted.

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Expense Statement 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 Expense Statement 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 no exceptions.

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 Statement Report for the General, State Highway and Water funds for the years ended December 31, 2016 and 2015. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General fund. The Revenue Statement Report recorded budgeted (i.e. certified) resources for the General fund of \$295,000 for 2015. However, the final *Amended Official Certificate of Estimated Resources* reflected \$296,158. 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 ensure 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, State Highway and Water 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 Expense Statement Report for 2016 and 2015 for the following funds: General, State Highway, and Water. The amounts on the appropriation resolutions agreed

to the amounts recorded in the December Expense Statement report except for the General and State Highway funds in 2015 and the General fund in 2016.

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, State Highway and Water 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, State Highway and Water funds, as recorded in the Expense Statement 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 Statement 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 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 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 Revenue Statement Reports and Expense Statement Reports for evidence of interfund transfers 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 Fund Balance 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 Fund Balance Report 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. There were no funds having negative cash fund balances.

Compliance – Contracts & Expenditures

We inquired of management and inspected the Expense Detail 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 require 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. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the Village's deadline where the initial filing was filed on time but incomplete. We confirmed the Village filed its complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2016 and 2015 in the Hinkle system. There were no exceptions.
2. We inquired of the fiscal officer and/or inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the fiscal officer obtained the training required by Ohio Rev. Code Sections 507.12 and 733.81. Fiscal Officer obtained the required training.
3. We inquired of the Fiscal Officer for the years ended December 31, 2016 and 2015 to determine if the Village held meetings with Village Council for working sessions. The Village Council did hold meetings for working sessions during 2015 and 2016. Per inquiry of the Fiscal Officer these meetings usually had a quorum. However, in violation of Ohio Rev. Code Section 121.22(C), the Village did not prepare minutes for these working sessions.

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 are not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

October 11, 2017

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VILLAGE OF WEST ALEXANDRIA

PREBLE 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
NOVEMBER 9, 2017