



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Greenwich  
Huron County  
45 Main Street  
Greenwich, Ohio 44837-1145

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Greenwich, Huron County, Ohio (the Village) 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 and Investments

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 Cash Summary by Fund Report to the December 31, 2011 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Cash Summary by Fund Report to the December 31, 2012 balances in the Cash Summary by Fund 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 balances with the Village's financial institution. We found no exceptions. We also compared the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation and noted two certificates of deposit were not recorded at the proper amounts in the Village's accounting system. The General fund balance should have been \$10.61 lower, the Street Construction Maintenance, and Repair fund balance should have been \$10.62 lower, and the Electric Operating fund balance should have been \$250.31 higher. The Clerk-Treasurer posted these adjustments on March 14, 2014. We recommend the Clerk-Treasurer monitor and correct any variances between bank and book balances
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 Payment Register Report, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested interbank account transfers occurring in December of 2013 and 2012 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
7. We tested investments held at December 31, 2013 and December 31, 2012 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.

#### **Water, Sewer and Electric Charges for Service Receipts**

1. We haphazardly selected 10 Water, Sewer, and Electric Fund collection cash receipts from the year ended December 31, 2013 and 10 Water, Sewer, and Electric Fund collection cash receipts from the year ended December 31, 2012 recorded in the Utility System New Charge Listing Report and determined whether the:
  - a. Receipt amount per the Utility System New Charge Listing Report agreed to the amount recorded to the credit of the customer's account in the Utility System Monthly Cash Receipt Journal Report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Utility System Monthly Cash Receipt 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 surcharge amounts, plus applicable taxes and supply costs, 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. During 2012 we noted the Water Operating fund's portion of monthly cash receipts for July and December were incorrectly posted to the Sewer Operating fund, contrary to Ohio Rev. Code Section 5705.10(D). The Water Operating fund balance was understated by \$32,036 and the Sewer Operating fund balance was overstated by \$32,036. The Clerk-Treasurer posted these adjustments on March 14, 2014. We recommend the Clerk-Treasurer more closely monitor the manner in which utility receipts are posted to the accounting system.
2. We read the Utility Billing Aged Accounts Trial Balance Report.
  - a. We noted this report listed \$14,589 and \$33,370 of accounts receivable as of December 31, 2013 and 2012, respectively.
  - b. Of the total receivables reported in the preceding step, \$5,263 and \$4,550 were recorded as more than 90 days delinquent.

3. We read the Utility Systems Monthly Cash Receipt Journal.
  - a. We noted this report listed a total of \$4,425 and \$4,515 non-cash receipts adjustments for the years ended December 31, 2013 and 2012, respectively.
  - b. We selected five non-cash adjustments from 2013 and five non-cash adjustments from 2012, 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, 2011. These amounts agreed to the Village's January 1, 2012 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2011:
OWDA Water Supply Improvements Project Loan	\$189,092
OWDA North Kniffen Street Sewer Separation Project Loan	55,631
OPWC East Sanitary Collector Line Replacement Project Loan	39,616
OPWC Alpha Road Waterline Improvements Project Loan	50,148
OPWC Sewer Separation Improvements New Street and Beachwood Drive Project Loan	49,740
OPWC South Kniffen Street Sewer Separation Project Loan	137,204
OPWC Storm Sewer Separation Project Loan	89,999

2. We inquired of management, and scanned the Revenue Ledger Reports and Appropriation Ledger Reports for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan debt activity for 2013 and 2012 and agreed principal and interest payments from the related debt amortization schedules and OWDA invoices to Water Operating, Sewer Operating, and Sewer Improvement fund payments reported in the Appropriation Ledger Reports. 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 Sewer Improvement fund per the Revenue Ledger Reports. The amounts agreed.
5. For new debt issued during 2013 and 2012, we inspected the OPWC and OWDA debt agreements, noting the Village must record on-behalf-of proceeds for the Townsend Street Sanitary Sewer Improvements Project and the CSO Consolidation and Sewer Improvements Project, respectively, paid directly to the vendors by the OPWC and OWDA. We scanned the Appropriation Ledger Reports and noted the Village recorded the proper amount of on-behalf-of payments made directly by the OPWC and OWDA to the vendors for these projects.

### **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 Register-Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Register-Detail Report to supporting documentation (timecard or legislatively-approved rate or salary). We found no exceptions.
  - b. 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 employee personnel file, the General Information – Employee Name Report, or minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the employee personnel file was consistent with the information used to compute gross and net pay related to this check:
  - a. Name
  - b. Authorized salary or pay rate
  - c. Department and fund to which the check should be charged
  - d. Retirement system participation and payroll withholding
  - e. Federal, State, and Local income tax withholding authorization and withholding

We found no exceptions related to steps a. – e. above.

3. 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:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes and Medicare (and social security for employees not enrolled in pension system)	January 31, 2014	December 31, 2013	\$4,218	\$4,218
State income taxes	January 15, 2014	December 30, 2013	756	756
Village of Greenwich income taxes	January 31, 2014	January 14, 2014	966	966
School District income tax	January 15, 2014	December 30, 2013	243	243
OPERS retirement	January 30, 2014	January 2, 2014	4,810	4,810
OP&F retirement	January 31, 2014	January 2, 2014	3,058	3,058

### **Non-Payroll Cash Disbursements**

We haphazardly selected 10 disbursements from the Payment Register Report for the year ended December 31, 2013 and 10 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 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 Clerk-Treasurer 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 Status Report for the General, Street Construction, Maintenance, and Repair, and Sewer Operating 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 Sewer Operating 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 Sewer Operating. The amounts on the appropriation measures agreed to amounts recorded in the Appropriation Status Report, except for the Sewer Operating fund in 2013. In 2013 the Appropriation Status Report recorded appropriations of \$323,268 and the appropriation measures adopted reflected \$149,203. The Clerk-Treasurer should periodically compare amounts recorded in the Appropriation Status Report to amounts approved by the Council to assure they agree. If the amounts do not agree, the Council may be using inaccurate information for budgeting and monitoring purposes.
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 Sewer Operating 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 Sewer Operating funds, 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 the years ended 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 \$100 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.

#### **Compliance – Contracts and Expenditures**

We inquired of management and scanned the Payment Register 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, and others within the Village, 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 initial "D".

**Dave Yost**  
Auditor of State

Columbus, Ohio

April 7, 2014

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# Dave Yost • Auditor of State

**VILLAGE OF GREENWICH**

**HURON 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  
APRIL 22, 2014**