



Dave Yost • Auditor of State



VILLAGE OF GENEVA ON THE LAKE  
ASHTABULA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
-------	------

---

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

**This page intentionally left blank.**



# Dave Yost • Auditor of State

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

Village of Geneva on the Lake  
Ashtabula County  
4929 South Warner Drive  
Geneva on the Lake, Ohio 44041

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Geneva on the Lake, Ashtabula 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, 2015 and 2014, including mayor's court receipts, disbursements and balances, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2013 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2014 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, 2015 and 2014 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We observed the December 31, 2015 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, 2015 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 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.

### **Cash (Continued)**

6. We selected three reconciling credits (such as deposits in transit) haphazardly from the December 31, 2015 bank reconciliation:
  - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the Receipts Register. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We tested interbank account transfers occurring in December of 2015 and 2014 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2015 and one from 2014:
  - 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 fund(s) 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 2015 and 2014. 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 2015 and five from 2014.
  - a. We compared the amount from the above report to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Income Tax Receipts**

We obtained the December 31, 2015 and 2014 Total Distributions reports submitted by the Central Collection Agency (CCA), the agency responsible for collecting income taxes on behalf of the Village. We agreed the total net income taxes per year to the Village's Receipt Register Report. The amounts agreed. We noted the income tax receipts were recorded net of deducted expenses. We recommend the Village record its income tax receipts gross of deducted expenses.

### **Over-The-Counter Cash Receipts**

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2015 and 10 over-the-counter cash receipts from the year ended December 31, 2014 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was posted to the proper fund(s), and was recorded in the proper year. We found no exceptions.

**Debt**

1. From the prior audit documentation, we noted the following bonds, notes and loans outstanding as of December 31, 2013. These amounts agreed to the Villages January 1, 2014 balances on the summary we used in step 3.

<u>Issue</u>	<u>Principal outstanding as of December 31, 2013:</u>
<u>Ohio Water Development Authority (OWDA) Loans:</u>	
OWDA Loan 6341	\$37,740
OWDA Loan 4291	180,136
OWDA Loan 2278	3,026
OWDA Loan 2277	<u>106,075</u>
Total OWDA Loans	326,977
<u>Ohio Public Works Commission (OPWC) Loans</u>	
OPWC CG16E - Wastewater Plant Pump Replacement	21,800
OPWC CG28D - Sanitary Collection System Rehabilitation	11,539
OPWC CT17G - Lake Outfall Replacement	<u>45,937</u>
Total OPWC Loans	79,276
<u>General Obligation Bonds:</u>	
Golf Course Bonds 2013	526,000
SS Building Series C (Dept. of Agriculture) 97-05	131,600
SS Building Series A (Dept. of Agriculture) 97-01	<u>486,900</u>
Total General Obligation Bonds:	1,144,500
<u>General Obligation Notes:</u>	
2013 Police Cruiser	41,454
2010 Police Cruisers	6,075
2012 Dump Truck	45,046
2010 Dump Truck	19,463
Course Equipment	8,597
Presidential Drive	3,092
University Paving	<u>37,903</u>
Total General Obligation Notes	<u>161,630</u>
Total Debt	<u>\$1,712,383</u>

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loans, bond and note debt activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedules to debt service fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.

#### **Debt (Continued)**

4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the debt fund per the Receipt Register Report. The amounts agreed. The Village issued a new bond: Golf Course Bond (Refinanced), in fund 5721-911-0000. The Village properly recorded the proceeds in a bond fund as required by Ohio Rev. Code Section 5705.09(E).
5. For new debt issued during 2015 and 2014, we inspected the debt legislation, noting the Village must use the proceeds to purchase a 2015 Cruiser, Linda Drive Paving Project, and an in car camera system. We scanned the Payment Register Detail Report and noted the Village purchased a 2015 Cruiser, Linda Drive Paving Project, and an in car camera system.

#### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the payroll journal and:
  - a. We compared the hours and pay rate, or salary recorded in the payroll journal 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 code(s) to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. 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 employees' personnel files 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(s) and fund(s) to which the check should be charged
  - d. Retirement system participation and payroll withholding
  - e. Federal, State & Local income tax withholding authorization and withholding
  - f. Any other deduction authorizations (deferred compensation, etc.)

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



**Payroll Cash Disbursements (Continued)**

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2015 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 2015. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b><u>Date Due</u></b>	<b><u>Date Paid</u></b>	<b><u>Amount Due</u></b>	<b><u>Amount Paid</u></b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 30, 2016	January 6, 2016	\$555.68	\$555.68
State income taxes	January 15, 2016	January 11, 2016	944.29	944.29
Village of Geneva on the Lake Income Taxes	January 20, 2016	January 19, 2016	2,486.80	2,486.80
OPERS retirement	February 1, 2016	February 1, 2016	7,535.83	7,535.83
OP&F retirement	February 1, 2016	January 22, 2016	3,429.14	3,429.14

4. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Journal:
- a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Village's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

**Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2015 and ten from the year ended December 31, 2014 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 two instances where disbursements requiring certification were not certified and 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.

### **Mayors Court Transactions and Cash Balances**

1. We tested the mathematical accuracy of the December 31, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2015 and December 31, 2014 to the Mayor's Court Agency Fund balance reported in the Fund Status Reports. The balances agreed.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2015 and 2014 listing of un-cleared distributions as of each December 31. The amounts agreed.
4. We confirmed the December 31, 2015 bank account balance with the Mayor's Court financial institution. We found no exceptions. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation without exception.
5. We haphazardly selected five cases from the court cash book and agreed the payee and amount posted to the:
  - a. Duplicate receipt book.
  - b. Docket, including comparing the total fine paid to the judgment issued by the judge (i.e. mayor)
  - c. Case file.

The amounts recorded in the cash book, receipts book, docket and case file agreed.

6. From the cash book, we haphazardly selected one month from the year ended December 31, 2015 and one month from the year ended December 31, 2014 and determined whether:
  - a. The monthly sum of fines and costs collected for those months agreed to the amounts reported as remitted to the Village, State or other applicable government in the following month. We noted in 2015 for one month amount posted to the revenue ledger exceed the amount in the cash book by \$2,282. Management indicated this was due to a timing difference in reconciliation of the cash book. We noted the cash book was corrected the following month. Because we did not test all monthly disbursements our report provides no assurance whether or not additional similar errors occurred. We recommend management update the cash book timely and ensure the amounts collected for the Mayor's Court reconcile with the amounts posted to the revenue ledger.
  - b. The totals remitted for these two months per the cash book agreed to the returned canceled checks. 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 cash book. We noted four checks in 2014 and four checks in 2015 where the check date documented in the cash book did not agree to the date on the actual check. Because we did not test all checks our report provided no assurance whether or not additional similar errors occurred. We recommend management ensure the check dates documented in the cash book agree with the actual check dates.

### Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended 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 Fund, Street Construction Maintenance and Repair Fund and Cemetery Fund for the years ended December 31, 2015 and 2014. The amounts agreed.
2. We scanned the appropriation measures adopted for 2015 and 2014 to determine whether, for the General Fund, Street Construction Maintenance and Repair Fund and Cemetery Fund, 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 2015 and 2014 for the following funds: General Fund, Street Construction Maintenance and Repair Fund and Cemetery Fund. 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 Fund, Street Construction Maintenance and Repair Fund and Cemetery Fund for the years ended December 31, 2015 and 2014. 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, 2015 and 2014 for the General Fund, Street Construction Maintenance and Repair Fund and Cemetery 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, 2015 and 2014. 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 2015 and 2014 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 6 interfund transfers totaling \$71,653 in 2014 which were not approved by the Village Council. However, these transfers would have otherwise been allowable under Ohio Rev. Code Sections 5705.14 - .16. We recommend the Village not record transfers unless they are approved by Council and comply with all requirements provided for in Ohio Rev. Code Sections 5705.14 - .16.
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 – Budgetary (Continued)**

9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2015 and 2014 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, 2015 and 2014 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 formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Village filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions noted.
2. We inquired of the fiscal officer and/or scanned 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 Section 507.12 and 733.81. The Fiscal Officer obtained the required training.

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

August 5, 2016



# Dave Yost • Auditor of State

**VILLAGE OF GENEVA ON THE LAKE**

**ASHTABULA 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 23, 2016**