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Certified Public Accountants, A.C.

**VILLAGE OF HELENA  
SANDUSKY COUNTY  
Agreed-Upon Procedures  
For the Years Ended December 31, 2016 and 2015**

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- Association of Certified Anti - Money Laundering Specialists •







# Dave Yost • Auditor of State

Village Council  
Village of Helena  
504 Church Street  
Helena, Ohio 43435

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Helena, Sandusky 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 Helena is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

June 22, 2017

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VILLAGE OF HELENA  
SANDUSKY COUNTY

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

May 24, 2017

Village of Helena  
Sandusky County  
504 Church Street  
Helena, Ohio 43435

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 **Village of Helena**, Sandusky County, Ohio (the Village) and the Auditor of State, 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 Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) to the December 31, 2014 balances in the prior year audited statements. 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 noted 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 Cash Summary by Fund. The amounts agreed.

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### **Cash and Investments (Continued)**

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 all reconciling debits (such as outstanding checks) excluding the stale dated check from the December 31, 2016 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions. The stale dated check dating back to 2013 should be reviewed by the Village to determine if it is still an obligation of the Village or if the monies should be reverted back to the Village's General Fund in accordance with Ohio Rev. Code Section 9.39.
  - 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 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 Ledger. The amounts agreed.
  - b. We inspected the Revenue Ledger to confirm whether the receipt was allocated to the proper fund as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Revenue Ledger to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Revenue Ledger to determine whether it included two real estate tax receipts for 2016 and 2015. We noted the Revenue Ledger 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 Sandusky County Auditor's Accounts Payable Invoice 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.
  - c. We inspected the Revenue Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Property Taxes and Intergovernmental Cash Receipts (Continued)**

4. We confirmed the amounts paid from the Ohio Public Works Commission (OPWC) to the Village during 2015 for the Church Street Storm Sewer Project with the OPWC's online reports. We found no exceptions.
  - a. We inspected the Revenue Ledger to determine whether these receipts were allocated to the proper fund. We noted a portion of the receipts were allocated to the General Fund when they should have been allocated to the Street Construction, Maintenance, and Repair Fund. The Village has posted an adjustment to their accounting system decreasing the General Fund by \$3,347 and increasing the Street Construction, Maintenance, and Repair Fund by \$3,347.
  - b. We inspected the Revenue Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Sewer Fund**

1. We haphazardly selected 10 Sewer Fund collection cash receipts from the year ended December 31, 2016 and 10 Sewer Fund 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 Payment Transactions Report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Consumption Audit Report for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the audit 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 Accounts Receivable Summary Report.
  - a. We noted this report listed \$62,749 and \$62,119 of accounts receivable as of December 30, 2016 and December 29, 2015, respectively.
  - b. Of the total receivables reported in the preceding step, \$61,035 and \$60,540 were recorded as more than 90 days delinquent.
3. The Village did not make any non-cash adjustments in 2016 or 2015. The Village has no formal policy for non-cash adjustments and requires all non-cash adjustments to be approved by ordinance. We recommend the Village adopt a formal written policy regarding adjustments to customer utility accounts. This policy should include, but is not limited to, situations in which adjustments are deemed allowable, required supporting documentation to be maintained, and written approvals required by someone independent of the utility billing function.

**Debt**

1. From the prior audit 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:
Ohio Water Development Authority Loan #5428	\$94,590
Ohio Water Development Authority Loan #6088	\$300,917



**Debt (Continued)**

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 loan debt activity for 2016 and 2015 and agreed principal and interest payments reported from the related debt amortization schedules to the Street Construction, Maintenance, and Repair Fund and Sewer 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 no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Street Construction, Maintenance, and Repair Fund per the Revenue Ledger. The amounts agreed. However, we noted the OPWC loan was recorded as an Intergovernmental receipt rather than debt proceeds. We noted no other exceptions.
5. For new debt issued during 2016 and 2015, we inspected the debt legislation, noting the Village must use the proceeds for storm sewer improvements. We scanned the Appropriation Ledger and noted the Village improved the storm sewer in July 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 Payroll Ledger and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Ledger to supporting documentation (timecard, legislatively or statutorily-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 minute record. 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 determine whether the 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 9, 2016	\$ 441.76	\$ 441.76
State income taxes	January 31, 2017	December 8, 2016	\$ 24.00	\$ 24.00
School income tax	January 31, 2017	December 8, 2016	\$ 37.14	\$ 37.14
OPERS retirement	January 30, 2017	December 6, 2016	\$ 252.00	\$ 252.00

### 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:
  - 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 Appropriation Ledger 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 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 assurance whether or not additional similar errors occurred.

### 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 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 in 2016 and the General Fund and the Street Construction, Maintenance, and Repair Fund in 2015. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General Fund of \$55,725 in 2016. However, the final *Amended Official Certificate of Estimated Resources* reflected \$62,559. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General Fund and the Street Construction, Maintenance, and Repair Fund of \$51,775 and \$76,867 respectively in 2015. However, the final *Amended Official Certificate of Estimated Resources* reflected \$63,067 and \$10,540 respectively. 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 assure they agree. If the amounts do not agree, the Council may be using inaccurate information for budgeting and to monitor spending.
2. We scanned the appropriation measures adopted for 2016 and 2015 to determine whether, for the General, Street Construction, Maintenance, and Repair, and Sewer 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). The Village approved annual appropriations at the fund level. We recommend the Village approve appropriations at the required level.

**Compliance – Budgetary (Continued)**

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 Sewer Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report except for the Sewer Fund in 2016 and 2015. The Appropriation Status Report recorded appropriations in the Sewer Fund of \$74,565 for 2016. However, the approved appropriations reflected \$56,565. The Appropriation Status Report recorded appropriations in the Sewer Fund of \$73,866 for 2015. However, the approved appropriations reflected \$73,886. We noted no other exceptions.
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 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 Sewer 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 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. The Village did not establish a Capital Projects Fund during 2015 to segregate Ohio Public Works Project grant receipts and disbursements, in compliance with Section 5705.09.
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. We noted 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 scanned the 2016 and 2015 Revenue 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 scanned 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 Report for the years ended December 31, 2016 and 2015 for negative cash fund balances. 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 negative cash fund balances.

### Compliance – Contracts & Expenditures

We inquired of management and scanned 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 \$15,000-\$45,000) or to construct or reconstruct Village roads (cost of project \$5,000- \$15,000/per mile) for which Ohio Rev. Code Section 5575.01 requires the county engineer to complete a force account project assessment form (i.e., cost estimate). We identified no projects requiring the county engineer to complete a force account cost estimate.

### 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.
2. We inquired of the fiscal officer and/or inspected the Fiscal Integrity Act Portal to determine whether the fiscal officer obtained the training required by Ohio Rev. Code Section 507.12 and 733.81. We noted the Fiscal Officer's term ended on 3/31/16 and his new term began on 4/1/16. The required training did not apply to his past term. The Fiscal Officer still has the rest of his new term to complete the required training. 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 it's 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



# Dave Yost • Auditor of State

VILLAGE OF HELENA

SANDUSKY 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  
JULY 6, 2017