



**VILLAGE OF GREEN SPRINGS
SENECA COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2018 and 2017**

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KEITH FABER



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Village Council
Village of Green Springs
PO Box 536
Green Springs, OH 44836

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Green Springs, Seneca County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2017 through December 31, 2018. 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 Green Springs is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

August 30, 2019

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VILLAGE OF GREEN SPRINGS
SENECA COUNTY

TABLE OF CONTENTS

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

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Certified Public Accountants, A.C.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

July 1, 2019

Village of Green Springs
Seneca County
PO Box 536
Green Springs, OH 44836

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 Green Springs**, Seneca County (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, 2018 and 2017 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, 2018 and 2017 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, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2016 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2017 balances in the Fund Ledger Report. 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, 2018 and 2017 fund cash balances reported in the Fund Status Report. The amounts agreed
4. 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, 2018 bank reconciliation without exception.
5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the December 31, 2018 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 inspected investments held at December 31, 2018 and December 31, 2017 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 selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2018 and one from 2017:
 - 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 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 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 2018 and 2017. The Revenue Ledger included the proper number of tax receipts for each year.
3. We selected a sample (agreed upon) of five receipts from the State Distribution Transaction Lists (DTL) from 2018 and five from 2017. We also selected a sample (agreed upon) of five receipts from the Seneca County Audit Trail by Vendor Report from 2018 and five from 2017.
 - 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 that 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.

Income Tax Receipts

1. We selected a sample (agreed upon) of five income tax returns filed during 2018 and five from 2017.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the deposit analysis. The amounts agreed.
 - b. We compared the cash register tape total from procedure a. to the amount recorded as income tax receipts in the Revenue Ledger for that date. The amounts agreed.
2. We compared the date of the receipts to the date the receipts were posted in the Revenue Ledger to determine whether the receipts were recorded in the year received. We found no exceptions.
3. We selected a sample (agreed upon) of five income tax refunds from 2018 and five from 2017.
 - a. We compared the refund paid from the Appropriation Ledger to the refund amount requested in the tax return. The amounts agreed.
 - b. We observed the approval by the Income Tax Clerk on each of the refunds. No exceptions were found.
 - c. We observed the refunds were paid from the General Fund as is required.

Water and Sewer Fund

1. We selected a sample (agreed upon) of 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2018 and 10 Water and Sewer Fund collection cash receipts from the year ended 2017 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 Billing Journal Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Billing Journal 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 Aged Trial Balance Summary Report.
 - a. This report listed \$32,318.77 and \$92,218.41 of accounts receivable as of December 31, 2018 and 2017, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$7,451.60 and \$5,371.34 were recorded as more than 90 days delinquent.
3. We observed the Customer History Report.
 - a. This report listed a total of \$5,479.43 and \$849.71 non-cash adjustments for the years ended December 31, 2018 and 2017, respectively.
 - b. We selected a sample (agreed upon) of five non-cash adjustments from 2018 and five non-cash adjustments from 2017, and observed that the Utility Clerk or Clerk-Treasurer approved each adjustment.

Debt

1. From the prior audit documentation, we observed the following loans were outstanding as of December 31, 2016. These amounts agreed to the Villages January 1, 2017 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2016:
Ohio Public Works Commission Loan – CP12F	\$ 40,231
Ohio Public Works Commission Loan – CT58K	14,306
Ohio Public Works Commission Loan – CP29J	146,979
Ohio Public Works Commission Loan – CP17L	117,995
Ohio Public Works Commission Loan – CP24M	53,041
Ohio Public Works Commission Loan – CP35M	44,014
Ohio Public Works Commission Loan – CT65N	39,828
Ohio Public Works Commission Loan – CT91M	173,128
Ohio Public Works Commission Loan – CP24O	147,281
Ohio Water Development Authority Loan – 3892	175,475
Ohio Water Development Authority Loan – 4042	35,503
Ohio Water Development Authority Loan – 5070	\$ 265,169

2. We inquired of management, and inspected the Revenue Ledger and the Appropriation Ledger for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of the loan debt activity for 2018 and 2017 and agreed principal and interest payments from the related debt amortization schedules to the debt service 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 found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the E Adams Street Fund per the Revenue Ledger. The amounts agreed.
5. For new debt issued during 2018 and 2017, we inspected the debt legislation, which stated the Village must use the proceeds for E Adams Street Improvements. We inspected the purchase support and observed the Village used the proceeds for the E Adams Street Improvements.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register 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.

Payroll Cash Disbursements (Continued)

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 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 2018. 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, 2019	December 31, 2018	\$ 2,295.22	\$ 2,295.22
State income taxes - Ohio	January 15, 2019	January 2, 2019	\$ 477.54	\$ 477.54
OPERS retirement	January 30, 2019	January 9, 2019	\$ 3,494.84	\$ 3,494.84
School District Tax	January 31, 2019	January 2, 2019	\$ 241.62	\$ 241.62
OP&F Retirement	January 30, 2019	January 9, 2019	\$ 2,107.07	\$ 2,107.07

Non-Payroll Cash Disbursements

1. We selected a sample (agreed upon) of 10 disbursements from the Appropriation Ledger for the year ended December 31, 2018 and 10 from the year ended 2017 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 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 State Highway Funds for the years ended December 31, 2018 and 2017. The amounts agreed.
2. We inspected the appropriation measures adopted for 2018 and 2017 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 Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2018 and 2017 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.

Compliance – Budgetary (Continued)

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, 2018 and 2017. There were 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, 2018 and 2017 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, 2018 and 2017. 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, we inspected 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 2018 and 2017 Revenue Status Reports and Appropriation Status Reports 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 (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
9. We inquired of management and inspected the Appropriation Status 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.

We inquired of management and inspected the Appropriation Status Reports to determine whether the Village elected to establish a contingency, not designated for any particular purpose (contingency reserve balance - spending reserve) permitted by Ohio Rev. Code Section 5705.29(A)(1). The Village did not establish these reserves.

10. We inspected the Cash Summary by Fund Report for the years ended December 31, 2018 and 2017 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 Appropriation Ledger for the years ended December 31, 2018 and 2017 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. 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 regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Village filed their 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, 2018 and 2017 in the Hinkle system. There were no exceptions.
2. Ohio Rev. Code Section 109.60(A)(1) requires Law Enforcement of Villages to report specific information to the Bureau of Criminal Identification and Investigation (BCI) for certain offenses. Village Law Enforcement shall immediately upon arrest of any person (or taking into custody for any child under 18) take and forward the person's or child's fingerprints. We inspected the NICS Process form to determine if there is an established method of fingerprint submission to BCI. The Village does not have holding cells. Adults that are arrested are transported to the Sandusky and Seneca County Justice Centers and Juveniles that are arrested in Sandusky County are fingerprinted due to the facility not having the ability to fingerprint. Once they are fingerprinted, the Village provides the fingerprints to the detention facility and they send the fingerprints to BCI. Juveniles transported to Seneca County Detention Center are fingerprinted by the facility. No exceptions noted.
3. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list(s) of authorized users, and
 - a list of all credit card account transactions.
 - a. We inspected the established policy obtained above and determined it is
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the entity.We found no exceptions.
 - b. We selected 3 credit card transactions for testing. For selected transactions we inspected documentation to determine that:
 - i. Use was by an authorized user within the guidelines established in the policy, and
 - ii. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.

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 to provide assistance in the evaluation of the Village's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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

OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF GREEN SPRINGS

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
SEPTEMBER 12, 2019**