

**VILLAGE OF MARIEMONT
HAMILTON COUNTY, OHIO**

**AGREED-UPON PROCEDURES REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011**



Dave Yost • Auditor of State

Members of Council
Village of Mariemont
6907 Wooster Pike
Mariemont, Ohio 45227

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of the Village of Mariemont, Hamilton County, prepared by Bastin & Company, LLC, for the period January 1, 2011 through December 31, 2012. 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 Mariemont is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

June 11, 2013

This page intentionally left blank.

**VILLAGE OF MARIEMONT
HAMILTON COUNTY, OHIO**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountant’s Report on Applying Agreed-Upon Procedures	1

Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Mariemont
Hamilton County
6907 Wooster Pike
Mariemont, Ohio 45227

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Mariemont, Hamilton County, Ohio (the Village) and the Auditor of State 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, 2012 and 2011, 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Fund Report to the December 31, 2010 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2012 beginning fund balances recorded in the Fund Report to the December 31, 2011 balances in the Fund Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balances reported in the Fund Reports. The amounts agreed.
4. We confirmed the December 31, 2012 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, 2012 bank reconciliation without exception.
5. We selected five reconciling debits (outstanding checks) haphazardly from the December 31, 2012 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.

6. We selected the reconciling credit (ACH deposit in transit) from the December 31, 2012 bank reconciliation:
 - a. We traced the credit to the subsequent January bank statement. We found no exception.
 - b. We agreed the credit amount to the Detail Revenue Transactions Report. The credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We tested investments held at December 31, 2012 and December 31, 2011 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 2012 and one from 2011:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Detail Revenue Transactions 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 Detail Revenue Transactions Report to determine whether it included two real estate tax receipts for 2012 and 2011. We noted the Detail Revenue Transactions Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2012 and five from 2011. We also selected five receipts from the County Auditor's DTLs from 2012 and five from 2011.
 - a. We compared the amounts from the above reports to the amounts recorded in the Detail Revenue Transactions Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
4. We agreed the amounts paid from Medicount Management, Inc., to the Village during 2012 and 2011 to supporting documentation. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.
5. We reviewed supporting documentation supporting amounts paid from the Ohio Public Works Commission under a grant for the Miami Road Rehabilitation Project that were paid directly to a vendor on behalf of the Village during 2012.
 - a. We determined that the Village had not recorded the on-behalf grant receipts or related grant expenditures.

Income Tax Receipts

1. We selected five income tax returns filed during 2012 and five from 2011.
 - a. We compared the payment amount recorded on the tax return to the amount recorded in the Income Tax Cash Receipts Journal. The amounts agreed.
 - b. We compared the Income Tax Cash Receipts Journal batch total from step a. to the amount recorded as income tax receipts on the Income Tax Monthly Report. The amounts agreed.
 - c. We compared the applicable Income Tax Monthly Report total to the entry in the Detail Revenue Transactions Report. The amounts agreed.
2. We determined whether the receipts were recorded in the year received. We found no exceptions.
3. We selected five income tax refunds from 2012 and five from 2011.
 - a. We compared the refund paid from the Detail Expense Transactions Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We noted each of the refunds were approved by the Tax Administrator.
 - c. We noted the refunds were paid from the General Fund, as is required.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2010.
2. We inquired of management, and scanned the Detail Revenue Transactions Report and Detail Expense Transactions Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. There was no recorded debt activity in either year.

However, during 2012 the Village entered into a capital lease. Through management inquiries and review of documents, we noted that the Village secured a capital lease dated July 20, 2012, for a fire truck, in the amount of \$733,625. Three payments, in the amount of \$254,289 each (including interest), will begin on July 20, 2013, with the final payment due on July 20, 2015.

3. The Village did not record the proceeds or expenditures for the fire truck capital lease in 2012, and therefore, we were unable to agree the amounts of debt proceeds from the debt documents to amounts recorded in any funds in the Detail Revenue Transactions Report.
4. For new debt issued during 2012, we inspected the debt legislation, noting the Village must use the proceeds to lease (with an option to buy) a fire truck. While the Village did not record the expenditure arising from the capital lease transaction due to the nature of the lease agreement the Village did take possession of the fire truck during 2012.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 from the Detail Check Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Detail Check Register to supporting documentation (timecard, council-approved rate or salary). We found no exceptions.
 - b. 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 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(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.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 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 2012. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2013	December 22, 2012	\$13,545.37	\$13,545.37
State income taxes	January 15, 2013	December 22, 2012	\$3,945.55	\$3,945.55
Village of Mariemont income taxes	January 15, 2013	December 22, 2012	\$1,791.41	\$1,791.41
OPERS retirement:	January 30, 2013	December 22, 2012	\$4,709.03	\$4,709.03
OP&F retirement	January 31, 2013	December 22, 2012	\$4,868.53	\$4,868.53

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 Detail Check Register:
 - 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

1. We haphazardly selected ten disbursements from the Detail Expense Transactions Report for the year ended December 31, 2012 and ten from the year ended 2011 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 Detail Check Register 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.

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 three

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 were unable to test the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations. The Village did not do a reconciliation of the Mayor's Court accounts.
2. We were unable to compare the reconciled cash totals as of December 31, 2012 and December 31, 2011 to the Mayor's Court Agency Fund balance reported in the Bank Report or Fund Report. The Village did not do a reconciliation of the Mayor's Court accounts, and reported bank account balances of zero on the Bank Report. The Agency Fund does not appear on the Fund Report.
3. We were unable to agree the totals per the bank reconciliations to the total of December 31, 2012 and 2011 listing of unpaid distributions plus bonds held as of each December 31. The Village did not do a reconciliation of the Mayor's Court accounts.
4. We confirmed the December 31, 2012 bank account balances with the Mayor's Court financial institution. We found no exceptions. We were unable to agree the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation because the Village did not do a reconciliation of the Mayor's Court accounts.
5. We were unable to select five deposits in transit haphazardly from the December 31, 2012 bank reconciliation. The Village did not do a reconciliation of the Mayor's Court accounts.
6. 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. magistrate)
 - c. Case file.

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

7. From the cash book, we haphazardly selected one month from the year ended December 31, 2012 and one month from the year ended 2011 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 found no exceptions.
 - 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.

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 Year-to-date Revenue Report for the General, Street Construction and Permanent Improvement funds for the years ended December 31, 2012 and 2011. The amounts did not agree as estimated receipts are not being recorded in the accounting system. Estimated receipts should be recorded in the accounting system, and the fiscal officer should periodically compare amounts recorded in the Detail Revenue Transactions 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 2012 and 2011 to determine whether, for the General, Paramedic Services and Mari Elders 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 Year-to-date Expense Report for 2012 and 2011 for the following funds: General, Street Construction and State Highway. The amounts on the appropriation resolutions agreed to the amounts recorded in the Year-to-date Expense 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, Street Construction and Permanent Improvement funds for the years ended December 31, 2012 and 2011. We noted that the Street Construction Fund appropriations for 2012 exceeded certified resources by \$37,679, contrary to Ohio Rev. Code Section 5705.39. The Council should not pass appropriations exceeding certified resources. Allowing this to occur could cause the Village to incur fund balance deficits.
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, 2012 and 2011 for the General, Street Construction and Permanent Improvement funds, as recorded in the Year-to-date Expense 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 Detail Revenue Transactions Report for evidence of new restricted receipts requiring a new fund during December 31, 2012 and 2011. 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 2012 and 2011 Detail Revenue Transactions Report, Detail Expense Transactions Report and the Annual Treasurer’s Report for evidence of interfund transfers exceeding \$5,000 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.
8. We inquired of management and scanned the Detail Revenue Transactions Report 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 & Expenditures

We inquired of management and scanned the Detail Expense Transactions Report for the years ended December 31, 2012 and 2011 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, the Auditor of State, 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 cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
May 21, 2013



Dave Yost • Auditor of State

VILLAGE OF MARIEMONT

HAMILTON 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
JUNE 25, 2013**