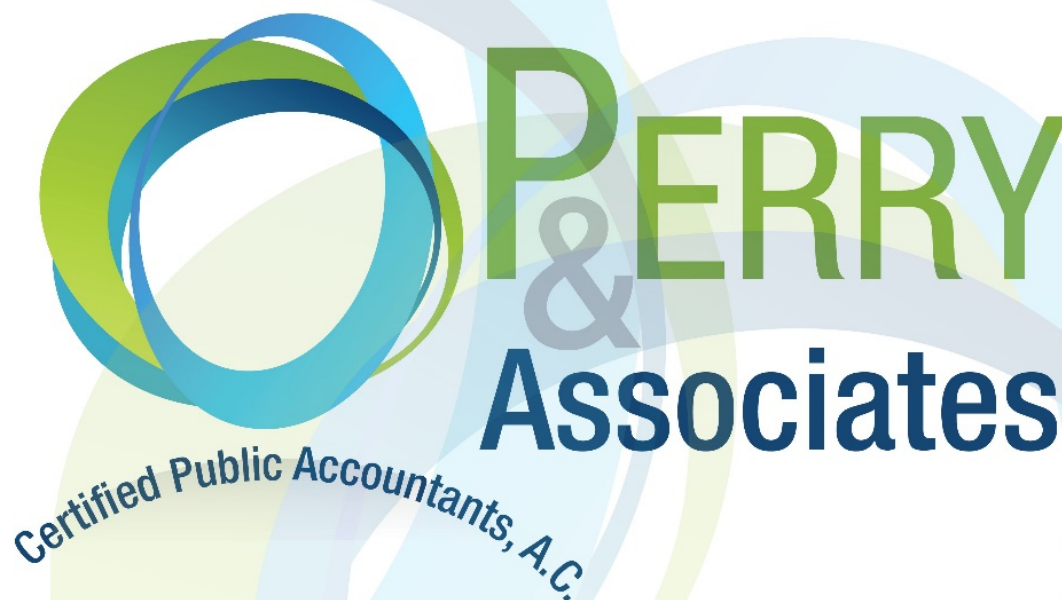


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121 E Main St
St. Clairsville, OH 43950
740.695.1569



**VILLAGE OF MATAMORAS
WASHINGTON COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2014 and 2013**

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...“bringing more to the table”

Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
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- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Village Council
Village of Matamoras
800 Grandview Avenue
Matamoras, Ohio 45767

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Matamoras, Washington County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2013 through December 31, 2014. 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 Matamoras is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

December 15, 2015

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VILLAGE OF MATAMORAS
WASHINGTON COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

October 23, 2015

Village of Matamoras
Washington County
800 Grandview Avenue
Matamoras, Ohio 45767

To the Village Council, Mayor, and Management:

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the **Village of Matamoras**, Washington 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, 2014 and 2013, 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, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2013 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2012 balances in the prior year audited statements. The amounts did not agree. Prior audit adjustments were made incorrectly to the clients system resulting in the difference. We have provided the Village with the proper adjusting entries and they have been made to the Village's accounting system. We also agreed the January 1, 2014 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2013 balances in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2014 and 2013 fund cash balances reported in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. The amounts agreed.



...*"bringing more to the table"*

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Cash (Continued)

4. We observed the year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balance to the amount appearing in the December 31, 2014 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2014 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.

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 2014 and one from 2013:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We determined 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 determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Revenue Ledger to determine whether it included two real estate tax receipts for 2014 and 2013. We noted the Revenue Ledger included the proper number of tax receipts for 2014 and 2013. However, the Village recorded rollback receipts received from the State as Property and Other Local Taxes rather than Intergovernmental.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2014 and five from 2013. We also selected five receipts from the County Auditor's Detail Check Report by Check Number Report from 2014 and five from 2013.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue Ledger. 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.

Water Utility Operation and Maintenance and Sewer Utility Operation and Maintenance Funds

1. We haphazardly selected 10 Water Utility Operation and Maintenance and Sewer Utility Operation and Maintenance Fund collection cash receipts from the year ended December 31, 2014 and 10 Water Utility Operation and Maintenance and Sewer Utility Operation and Maintenance Fund collection cash receipts from the year ended 2013 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 Register. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Billing Register 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 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 read the Billing Register.
 - a. We noted this report listed \$33,442.15 and \$51,370.08 of accounts receivable as of December 31, 2014 and 2013, respectively.
 - b. Of the total receivables reported in the preceding step, \$12,375.65 and \$29,059.87 were recorded as more than 90 days delinquent.
3. We read the Adjustments Journal.
 - a. We noted this report listed a total of \$37,843.03 and \$1,027.10 non-cash receipts adjustments for the years ended December 31, 2014 and 2013, respectively.
 - b. We selected five non-cash adjustments from 2014 and five non-cash adjustments from 2013, and noted that the Fiscal Officer approved each adjustment and Council reviewed each adjustment.

Debt

1. From the prior audit documentation, we noted the following loans outstanding as of December 31, 2012. These amounts agreed to the Village's January 1, 2013 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2012:
Ohio Public Works Commission (OPWC) Loan	\$ 3,505
Ohio Public Works Commission (OPWC) Loan	\$ 14,300
Ohio Public Works Commission (OPWC) Loan	\$ 209,946
Ohio Public Works Commission (OPWC) Loan	\$ 172,193
Ohio Water Development Authority (OWDA) Loan	\$ (7,378)

2. We inquired of management, and scanned the Revenue Ledger and Appropriation Ledger for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. All debt noted agreed to the summary we used in step 3.

Debt (Continued)

3. We obtained a summary of the note debt activity for 2014 and 2013 and agreed principal and interest payments reported from the related debt amortization schedules to the Water Utility Operation and Maintenance and Sewer Utility Operation and Maintenance 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. The Village did not properly record principal and interest payments. The Village recorded all debt activity as operating disbursements. We noted no other exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2014 and one payroll check for five employees from 2013 from the Employee Payroll Reports and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Payroll Reports to supporting documentation (timecard, legislatively or statutorily-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 minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2014 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 2014. 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, 2015	January 13, 2015	\$ 1,750.27	\$ 1,750.27
State income taxes	January 15, 2015	January 12, 2015	\$ 282.62	\$ 282.62
OPERS retirement	January 30, 2015	December 31, 2014	\$ 3,093.52	\$ 3,093.52

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2014 and ten from the year ended 2013 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 in 2013 and nine instances in 2014 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 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.

Mayor Court Transactions

1. 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.

2. From the cash book, we haphazardly selected one month from the year ended December 31, 2014 and one month from the year ended 2013 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.

We noted the Village did not utilize an Agency Fund to record Mayor's Court activity. The Village recorded all activity in the General Fund.

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 Comparison of Budget and Appropriated Report for the General, Street Construction Maintenance and Repair and Municipal License Tax Funds for the years ended December 31, 2014 and 2013. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General Fund in 2013. The Comparison of Budget and Appropriated Report recorded budgeted (i.e. certified) resources for the General Fund of \$119,251 for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$82,210. The fiscal officer should periodically compare amounts recorded in the Comparison of Budget and Appropriated 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 monitoring purposes.
2. We scanned the appropriation measures adopted for 2014 and 2013 to determine whether, for the General, Street Construction Maintenance and Repair and Municipal License Tax 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 Section 5705.38 and 5705.40, to the amounts recorded in the Comparison of Budget and Appropriated Report for 2014 and 2013 for the following funds: General, Street Construction Maintenance and Repair and Municipal License Tax Funds. The amounts in the UAN system for General and Street Construction Maintenance and Repair Funds did not agree to the approved appropriations in 2014. The amounts in the UAN system for General and Municipal License Tax Funds did not agree to the approved appropriations in 2013. All other amounts agreed.
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 Municipal License Tax Funds for the years ended December 31, 2014 and 2013. In 2014, we noted that General Fund appropriations exceeded certified resources by \$10,558 and the Street Construction Maintenance and Repair Fund appropriations exceeded certified resources by \$5,682, contrary to Ohio Rev. Code Section 5705.39. In 2013, we noted that no funds 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, 2014 and 2013 for the General, Street Construction Maintenance and Repair and Municipal License Tax Funds as recorded in the Comparison of Budget and Appropriated Report. All amounts agreed except the General Fund where we noted that General Fund expenditures for 2013 exceeded total appropriations by \$29,582, contrary to Ohio Rev. Code Section 5705.41(B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Council to approve increased expenditures levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.

Compliance – Budgetary (Continued)

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, 2014 and 2013. 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 2014 and 2013 Revenue Ledgers and Cash Journal 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.
8. We inquired of management and scanned the Cash Journal 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.
9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2014 and 2013 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. We noted no funds having a negative cash fund balance.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Appropriation Ledger for the years ended December 31, 2014 and 2013 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.

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 and 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.



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

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Dave Yost • Auditor of State

VILLAGE OF MATAMORAS

WASHINGTON 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
DECEMBER 29, 2015