



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Orient
Pickaway County
P.O. Box 163
Orient, Ohio 43146

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Orient (the Village) have agreed, solely to assist the Council and Mayor in the surrender of the corporate powers of the Village of Orient and in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2013, 2012 and through December 19, 2014 and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions. 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.

Confirmation of Closure of Operations:

1. We confirmed with the Pickaway County Board of Elections that the Village residents voted in favor of the Village to surrender its corporate powers and cease to exist in accordance with Ohio Revised Code Section 703.20. The Village residents voted on May 7, 2013, to surrender its corporate powers.

Cash

1. We tested the mathematical accuracy of the December 19, 2014, December 31, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2012 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 19, 2014, December 31, 2013 and 2012 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2013 bank account balance with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation without exception.

Cash (Continued)

5. We reviewed the latest bank reconciliation as of December 19, 2014 and performed the following procedures:
 - a. Confirmed the bank balance reconciliation amount presented with the appropriate depository. We found no exceptions.
 - b. Agreed reconciling items to supporting documentation. We found no exceptions.
 - c. Agreed the reconciled cash balance to the total balances in the Fund Status Report. We found no exceptions.
 - d. Confirmed with the depository listed on the bank reconciliation that the bank balance was \$0 at the end of the month following the date the Village distributed the balance of the General and Special Revenue Funds to the Township and the balance of the Enterprise Funds to the County.

6. We selected all reconciling debits (such as outstanding checks) from the December 31, 2013 bank reconciliation:
 - a. We traced each debit to the subsequent month bank statements. 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 and Intergovernmental Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2013 and one from 2012:
 - 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 2013 and 2012. 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 2013 and five from 2012. We also selected five receipts from the County Auditor's DTLs. We selected three transactions from the State and County DTLs for 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.

4. We scanned the Receipt Register Report for any property tax and intergovernmental receipts recorded after December 31, 2013. There were no property tax receipts during 2014.

Water and Sewer Fund

1. We haphazardly selected ten Water and Sewer Fund collection cash receipts from the year ended December 31, 2013, ten Water and Sewer Fund collection cash receipts from the year ended 2012 recorded in the Receipt Register Report and five Water and Sewer Fund collections cash receipts through May 1, 2014 and determined whether the:
 - a. Receipt amount per the Receipt Register Report agreed to the amount recorded to the credit of the customer's account in the Receipts Register Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Receipts Register Report 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 inquired with the billing clerk for an accounts receivable listing and an accounts receivable adjustment listing as of December 31, 2013 and December 31, 2012. The Village did not maintain these listings as of December 31, 2013 and December 31, 2012.

Debt

1. From the prior audit documentation, we noted the following loans outstanding as of December 31, 2011. These amounts agreed to the Villages January 1, 2012 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2011:
OPWC Loan	\$148,792
Savings Bank Loan	\$85,861

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2014, 2013 or 2012 or debt payment activity during 2014, 2013 and 2012. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt activity for 2014, 2013 and 2012 and agreed principal and interest payments from the related debt amortization schedules to debt 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.
4. We verified that Pickaway County took legal liability of the debt payments from the Village as of October 8, 2014. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013, one payroll check for five employees from 2012 and one payroll check for the clerk and mayor for 2014 from the Employee Detail Adjustment Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.

Payroll Cash Disbursements (Continued)

- 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 and minute records. 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, 2013 and through December 19, 2014 for the Mayor and Fiscal officer, 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 2013 and through December 19, 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, 2014	December 16, 2013	197	197
State income taxes	January 15, 2014	March 1, 2014	37	37
OPERS retirement	January 31, 2014	December 14, 2013	288	288
Ohio School District Income Tax	January 31, 2014	March 1, 2014	34	34

As noted above, the State and School District withholdings were not paid timely.

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		30	0
State income taxes	January 15, 2015		3	0
OPERS retirement	November 9, 2014	October 21, 2014	35	35
Ohio School District Income Tax	January 31, 2015		7	0

As noted above, the Federal, State and School District Income taxes have not been paid. These amounts will be paid by Scioto Township. Additionally, the Village had unpaid amounts to the Internal Revenue Service for approximately \$160. These amounts will be paid by Scioto Township.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2013, ten from the year ended 2012 and five from 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. We inquired of the fiscal officer of the nature of any outstanding, unpaid, obligations. As of December 19, 2014, there were unpaid obligations of up to \$1,000 owed by the Village for items such as final compensation to the Village Fiscal Officer, utilities, unpaid payroll withholdings, and other small miscellaneous expenditures. Scioto Township will assume the responsibility for these unpaid obligations.
 - e. We agreed the payment of the Village book balance cash amounts and delivery of outstanding obligation list to Scioto Township and Pickaway County as the final closure of account activity. We also agreed restricted fund balances of the Village to the appropriate fund posting in the Townships Receipt Detailed Reported. We found no exceptions.

Capital Assets

We determined that the Village has notified the Scioto Township and Pickaway County of the location, description and address of any land, infrastructure or equipment to be transferred to the related entity.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Street Maintenance and Sewer Operation funds for the years ended December 31, 2012 and 2013. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General Fund in 2012 and 2013 as well as the Street Construction Maintenance and Sewer Operating Funds in 2012. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$22,318 for 2012 and \$22,318 for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$21,467 and \$21,818. The Revenue Status Report recorded budgeted resources for the Street Construction Maintenance Fund of \$20,160 for 2012 and for the Sewer Operating Fund of \$18,700 for 2012. However, the final *Amended Official Certificate of Estimated Resources* reflected \$20,600 and \$22,500. 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 2013 and 2012 to determine whether, for the General, Street Construction Maintenance and Sewer Operating 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.

Compliance – Budgetary (Continued)

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 2013 and 2012 for the following funds: General fund, Street Construction Maintenance fund and Sewer Operating 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, Street Construction Maintenance and Sewer Operating funds for the years ended December 31, 2013 and 2012. 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, 2013 and 2012 for the General, Street Construction Maintenance and Sewer Operating 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, 2013 and 2012. 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 2013 and 2012 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers 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 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.
9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2013 and 2012 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, 2013 and 2012 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, 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 black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

January 16, 2015

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VILLAGE OF ORIENT

PICKAWAY 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
MARCH 3, 2015**