



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Piketon
Pike County
109 E. 3rd Street
PO Box 547
Piketon, Ohio 45661

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Piketon, Pike County, Ohio (the Village) 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, 2013 and 2012, 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, 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 note the following exceptions: \$1,668 in the General Fund, \$1,456 in the Street Fund, \$211 in the State Highway Fund and \$6,364 in the Police Fund. 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 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 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, 2013 bank reconciliation without exception.

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2013 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 tested investments held at December 31, 2013 and December 31, 2012 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 Distribution of Receipts* (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 Appropriation History Report from 2013 and five from 2012.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. We found the following exceptions. Gasoline Excise Tax monies in the amount of \$37,495 in 2012 and \$37,518 in 2013 were posted to the Permissive Motor Vehicle License Tax Fund. Motor Vehicle License Tax 34 Percent Distribution received from the County Auditor in the amount of \$13,622 in 2012 and \$12,910 in 2013 was posted to the Permissive Motor Vehicle License Tax Fund. Ohio Rev. Code Section 5735.28 requires this money to be receipted into the Street Construction, Maintenance, and Repair Fund and if a Village is on the line of the state highway system, seven and one-half percent of the amount paid to any Village should be receipted into the State Highway Fund.

We therefore requested management to adjust \$93,929 (2012-\$47,283; 2013-\$46,646) into the Street Construction Maintenance and Repair Fund and \$7,616 (2012-\$3,834; 2013-\$3,782) into the State Highway Fund from the Permissive Motor Vehicle License Tax Fund. We note the fiscal officer adjusted this amount on February 26, 2015. In addition, management adjusted expenditures made from the Permissive Motor Vehicle License Tax Fund in the amount of \$167,042 (2012-\$34,859; 2013-\$132,183) into the Street Construction Maintenance and Repair Fund in the amount of \$154,514 (2012-\$32,244; 2013-\$122,270) and the State Highway Fund in the amount of \$12,528 (2012-\$2,615; 2013-\$9,913). Because we did not test these disbursements, our report provides no assurance whether the disbursements were allowable disbursements from the Street Construction Maintenance and Repair Fund and State Highway Fund. This resulted in net fund balance adjustments to each of the funds as follows: Street Construction Maintenance and Repair Fund – (\$60,585); State Highway Fund – (\$4,912); and Permissive Motor Vehicle License Tax Fund – \$65,497.

- c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from the Ohio Water Development Authority (OWDA) for an Appalachian Regional Commission (ARC) Grant to the Village during 2013 with the OWDA. We found the Village posted \$16,944 in excess of the amount confirmed from the OWDA.
 - a. We determined whether the receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We note a receipt in the amount of \$100,680 was posted in 2012 which should have been posted in 2013.
5. We confirmed the amounts paid from the Ohio Water Development Authority (OWDA) to the Village during 2012 and 2013 with the OWDA. The Village received a funding source from the OWDA which consisted of a grant (principal forgiveness) and loan portion. We found these monies were not separately tracked by the Village according to grant (principal forgiveness) and loan portion. For 2012, an excess amount of \$127,550 was posted over the amount received. For 2013, a deficient amount of \$94,967 was posted under the amount received. This resulted in a net excess amount of \$32,583 being posted over the amount received.
 - 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. For 2012, an excess amount of \$127,550 was posted over the amount received. For 2013, a deficient amount of \$94,967 was posted under the amount received. This resulted in a net excess amount of \$32,583 being posted over the amount received.
6. We confirmed the amounts paid from the Ohio Public Works Commission (OPWC) to the Village during 2012 and 2013 with the OPWC. We found a 2012 receipt in the amount of \$17,679 was not posted by the Village.
 - a. We determined whether the 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 a 2012 receipt in the amount of \$17,679 was not posted by the Village.

Income Tax Receipts

1. We obtained the January 2012, October 2012, August 2013 and February 2013 Monthly Distribution Reports submitted by the Regional Income Tax Agency (RITA), the agency responsible for collecting income taxes on behalf of the Village. We note a difference of \$1,123 in January 2012, \$1,552 in October 2012, \$835 in February 2013 and \$997 August 2013 between the total gross income taxes per month reported by RITA compared to the Village's Receipt Register Report as a result of the Village not posting retainer fees as a receipt and corresponding expenditure.
2. We compared the allocation of income tax receipts for the years ended December 31, 2013 and 2012 to the Village's funds according to the allocation requirements of the Village of Piketon Income Tax Ordinance. Section 17 of the Village Income Tax Ordinance addresses allocation of funds and indicates:

The funds collected under the provisions of this ordinance shall be applied for the following purpose and in the following order:

- (A) Such part thereof as shall be necessary to defray all costs of collecting the taxes levied by this ordinance and enforcing the provisions hereof.
- (B) Such part thereof as Council may appropriate to eliminate the fiscal emergency conditions.
- (C) Such part thereof as Council may appropriate to the General Fund for purposes of paying the cost of general municipal operations.
- (D) Such part thereof as Council may appropriate for the purpose of paying the cost of maintenance of equipment, and the purchase of new equipment, motorized or other.
- (E) Such part thereof as the Council may appropriate for the purpose of paying the cost of the acquisition, construction, repair and/or maintenance of streets and/or other permanent improvements.

The Village currently allocates funds based on the Mayor's recommendation and allocations are not approved by the Village Council. The allocation agreed with the recommended percentages in 2012. For 2013, the allocation percentages did not agree however at the December 2013 meeting the allocation percentage used for the year 2013 was indicated. We recommend that Council officially pass an ordinance for the allocation of income tax funds. We further recommend amounts be allocated according to the Ordinance.

Water Operating and Sewer Operating Funds' Charges for Services

1. We haphazardly selected 10 Water Operating and Sewer Operating Funds' collection cash receipts from the year ended December 31, 2013 and 10 Water Operating and Sewer Operating Funds' collection cash receipts from the year ended 2012 recorded in the Cash Receipts Journal and determined whether the:
 - a. Receipt amount per the Cash Receipts Journal agreed to the amount recorded to the credit of the customer's account in the Village of Piketon Update Journal Report. The amounts agreed.
 - b. Amount charged for the related billing period:

- i. Agreed with the debit to accounts receivable in the Village of Piketon Update Journal 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 read the Village of Piketon Update Journal.
- a. We noted this report listed \$3,549 and \$2,999 of accounts receivable as of December 11, 2013 and December 12, 2012.
 - b. Of the total receivables reported in the preceding step, \$1,707 and \$1,172 were recorded as more than 90 days delinquent.
3. We read the Monthly Cash Receipts Journal-Adjustments Only.
- a. We noted this report listed a total of \$8,898 and \$1,677 non-cash receipts adjustments for the years ended December 31, 2013 and 2012, respectively.
 - b. The Village does not maintain supporting documentation to evidence review and approval of adjustments made on utility accounts. The lack of supporting documentation for supervisory review could allow for improper adjusting to utility billings. The Village should implement a procedure requiring periodic review and signature of approval on all adjustments posted to utility accounts. This information should be maintained for audit purposes.

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:
1989 OWDA Loan	\$317,313
2002 OPWC Loan	\$193,325
2005 OPWC Loan	\$81,268
2010 OPWC Loan	\$23,758
2011 OWDA Loan	\$19,763
2007 Pike Hill Construction Loan	\$150,178
2009 Police Cruiser Loan	\$9,455
2010 Police Cruiser Loan	\$14,617
2010 Administrative Building Loan	\$221,713

We also identified an OPWC Loan with December 31, 2011 Principal outstanding in the amount of \$12,753 which was not included in prior audit documentation.

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. In addition, we scanned confirmation from Ohio Water Development Authority (OWDA) and Ohio Public Works Commission (OPWC). All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan debt activity for 2013 and 2012 and agreed principal and interest payments from the related debt amortization schedules to fund 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 the following exceptions:
 - a. For the 1989 OWDA Loan, we noted a difference of \$8,888 between the total amounts posted as principal and interest in the accounting system versus the actual loan postings. We also noted the January 2013 payment was due on January 1, 2013 and was paid on January 2, 2013.
 - b. For the 2011 OWDA Loan, we noted a difference of \$1,845 in the amount posted as principal and interest in the accounting system versus the actual loan postings. We also noted the January 2013 payment was due on January 1, 2013 and was paid on January 2, 2013.
 - c. For the Police Cruiser Loans, we noted a difference of \$769 in the amount of payments posted as principal and interest payments in the accounting system versus the amount posted to the loan. In addition, we noted the following regarding 2009 Police Cruiser Loan payments:
 - i. January, February and October 2012 check payment dates were one day past the payment due date
 - ii. July 2012 check payment date was two days past the payment due date
 - iii. August 2012 check payment date was four days past the payment due date
 - iv. September 2012 check payment date was five days past the payment due date
 - d. For the 2007 Pike Hill Construction Loan, we noted a difference of \$196 in the amount of payments posted as principal and interest payments in the accounting system versus the amount posted to the loan.
 - e. For the 2010 Administrative Building Loan, we noted a difference of \$570 in the amount of payments posted as principal and interest payments in the accounting system versus the amount posted to the loan.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the accounting system per the Revenue Ledger. We found the following:
 - a. OPWC CO17N Waste Distribution / Storage System Improvements loan had 2012 proceeds in the amount of \$175,003 in which an amount of \$13,264 was not posted by the Village to the Water Operating Fund. For 2013, proceeds in the amount of \$152,244 were received and posted to the Water Operating Fund.
 - b. OPWC CT58O Main Street Reconstruction loan had proceeds in the amount of \$210,000 for 2013 in which an amount of \$10,662 was not posted to the Street Construction Maintenance and Repair Fund.

- c. OWDA Loan 5841 Water Tank Replacement Design received proceeds in the amount of \$34,358 for 2012 which were posted to the Water Operating Fund.
 - d. OWDA Loan 6237 Water Tank and Pump Station Replacement / Waterlines consisted of Grant (Principal Forgiveness) and loan portions. The Village did not separately track the activity for these items. For 2012, proceeds and grant receipts in the amount of \$172,058 were received compared to the amount posted of \$299,608 to the Water Operating Fund which resulted in an excess amount being posted of \$127,550. For 2013, proceeds and grant receipts in the amount of \$299,912 were received compared to the amount posted of \$204,945 to the Water Operating Fund which resulted in a deficient amount being posted of \$94,967. Overall, this represents a net excess amount being posted of \$32,583.
 - e. 2007 Pike Hill Construction Loan renewals resulted in 2012 proceeds in the amount of \$127,270 and 2013 proceeds in the amount of \$104,349. These issuances were not posted to the accounting system.
 - f. 2010 Police Cruiser Loan renewal resulted in 2012 proceeds in the amount of \$8,698 which were not posted to the accounting system.
 - g. 2010 Administrative Building Loan renewals resulted in 2012 proceeds in the amount of \$216,952 and 2013 proceeds in the amount of \$207,981. These issuances were not posted to the accounting system.
5. For new debt issued during 2013 and 2012, we note the following:
- a. OPWC Loan CO17N was for Water Distribution / Storage System Improvements and was administered such that the Village did not receive cash or make disbursements. This loan had 2012 proceeds in the amount of \$175,003 in which an amount of \$13,264 was not posted by the Village to the Water Operating Fund. For 2013, proceeds in the amount of \$152,244 were received and posted to the Water Operating Fund.
 - b. OPWC Loan CT58O was for Main Street Reconstruction and was administered such that the Village did not receive cash or make disbursements. This loan had 2013 proceeds in which an amount of \$10,662 was not posted to the Street Construction Maintenance and Repair Fund.
 - c. OWDA Loan 5841 was for Water Tank Replacement Design and was administered such that the Village did not receive cash or make disbursements. This loan had 2012 proceeds in the amount of \$34,358 which were posted to the Water Operating Fund.
 - d. OWDA Loan 6237 was for Water Tank and Pump Station Replacement / Waterlines and was administered such that the Village did not receive cash or make disbursements. This item consisted of Grant (Principal Forgiveness) and loan portions and the Village did not separately track the activity for these items. For 2012, proceeds and grant receipts in the amount of \$172,058 were received compared to the amount posted of \$299,608 to the Water Operating Fund which resulted in an excess amount being posted of \$127,550. For 2013, proceeds and grant receipts in the amount of \$299,912 were received compared to the amount posted of \$204,945 to the Water Operating Fund which resulted in a deficient amount being posted of \$94,967. Overall, this represents a net excess amount being posted of \$32,583.
 - e. 2007 Pike Hill Construction Loan matures / renews annually and the remaining principal amount is reissued. 2012 proceeds in the amount of \$127,270 and 2013 proceeds in the amount of \$104,349 were not posted to the accounting system.

- f. 2010 Police Cruiser loan was a renewal in 2012 and the remaining principal amount was reissued. 2012 proceeds in the amount of \$8,698 were not posted to the accounting system.
- g. 2010 Administrative Building Loan matures / renews annually and the remaining principal amount is reissued. 2012 proceeds in the amount of \$216,952 and 2013 proceeds in the amount of \$207,981 were not posted to the accounting system.

Payroll Cash Disbursements

- 1. We haphazardly selected one payroll check for five employees from 2013 from the Wage Detail Report and one payroll check for five employees from 2012 from the Employee Detail Adjustment Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report for 2013 and Employee Detail Adjustment Report for 2012 to supporting documentation (timecard, legislatively or statutorily-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 Employee Detail Reports and resolutions establishing salaries by name and title. 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 files, minute record and resolution establishing salaries by name and title 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, 2013 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. 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	October 15, 2013, October 28, 2013, November 13, 2013, November 25, 2013, December 10, 2013, December 23, 2013	\$14,974	\$14,974
State income taxes	January 15, 2014	December 20, 2013	\$978	\$978
Village of Piketon income taxes	January 15, 2014	December 20, 2013	\$479	\$479
OPERS retirement	January 30, 2014	January 28, 2014	\$10,416	\$10,416
OP&F retirement	January 31, 2014	January 28, 2014	\$852	\$852

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 Employee Detail Adjustment Report:
 - 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 Payment Register Detail Report for the year ended December 31, 2013 and ten from the year ended 2012 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 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 tested the mathematical accuracy of the December 31, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the totals per the bank reconciliations to the total of December 31, 2013 and 2012 listing of unpaid distributions as of each December 31. The amounts agreed.
3. We confirmed the December 31, 2013 bank account balance with the Mayor's Court 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.
4. 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.

5. From the cash book, we haphazardly selected one month from the year ended December 31, 2013 and one month from the year ended 2012 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 or electronic withdrawal. 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 Revenue Status Report for the General, Police and Water Operating funds for the years ended December 31, 2013 and 2012. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General Fund in 2012 and the Water Operating Fund in 2013. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$254,954 for 2012. However, the final *Amended Official Certificate of Estimated Resources* reflected \$253,349. The Revenue Status Report recorded budgeted (i.e. certified) resources for the Water Operating fund of \$676,523 for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$237,000. 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, Police and Water 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.
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, Police and Water Operating. 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, Police and Water 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, Police and Water Operating fund, as recorded in the Appropriation Status Report. We noted that Water Operating Fund expenditures for 2013 exceeded total appropriations by \$213,502, 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 expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.
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 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 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(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 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

March 30, 2015



Dave Yost • Auditor of State

VILLAGE OF PIKETON

PIKE 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
MAY 7, 2015**