

VILLAGE OF VENEDOCIA

VAN WERT COUNTY

JANUARY 1, 2009 TO DECEMBER 31, 2010

AGREED UPON PROCEDURES



Dave Yost • Auditor of State

Village Council
Village of Venedocia
P. O. Box 611
Venedocia, Ohio 45894

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Venedocia, VanWert County, prepared by E. S. Evans and Company, for the period January 1, 2009 through December 31, 2010. 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 Venedocia is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

September 16, 2011

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E.S. Evans and Company

Certified Public Accountants

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E.S. Evans, CPA, PFS (1930-1999) • Robert E. Wendel, CPA • Dan F. Clifford, CPA, CVA
Steven D. Hooker, CPA • John E. Klay, CPA

June 29, 2011

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Venedocia
Van Wert County
Box 611
Venedocia, OH 45894

We have performed the procedures enumerated below, with which the Village Council and Mayor and the management of the Village of Venedocia (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, 2010 and 2009, 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, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balances recorded in the Statement of Cash Receipts, Disbursements, and Changes in Fund Cash Balances to the December 31, 2008 balances in the prior year audited statements. The balance does not agree by \$202. The variance is in the general fund.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2010 and 2009 fund cash balances reported in the Statement of Cash Receipts, Disbursements, and Changes in Fund Cash Balances. The amounts agree at December 31, 2009, but do not agree by \$112.07 at December 31, 2010.

4. We confirmed the December 31, 2010 and 2009 bank account balance with the Village's financial institution. We found no exceptions for 2010 and 2009 when comparing the confirmations to the Village financial statements. We also agreed the confirmed balances to the amounts appearing in the December 31, 2010 and 2009 bank reconciliations. The amounts agreed at December 31, 2009. At December 31, 2010, a variance of \$112.07 existed from the confirmed balance to the balance per the bank reconciliation.
5. We selected three (all of them) reconciling debits (such as outstanding checks) from the December 31, 2010 bank reconciliation and four (all of them) reconciling debits (such as outstanding checks) from the December 31, 2009 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statements. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested interbank account transfers occurring in December of 2010 and 2009 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
7. We tested investments held at December 31, 2010 and December 31, 2009 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We noted 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 2010 and one from 2009:
 - a. We were unable to trace the gross receipts from the Statement to the amount recorded in the Receipt Register Report because the Statements were unavailable from the fiscal officer.
 - 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 the proper number of tax receipts for 2010 and 2009:
 - a. Two personal property tax receipts
 - b. Two real estate tax receipts

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 2010 and five from 2009. We also selected five receipts from the County Auditor's DTL from 2010 and five from 2009.
 - a. We compared the amount from the DTL 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. There were no other confirmable receipts that exceeded 10% of all funds' receipts.

Debt

1. The prior audit report disclosed no debt outstanding as of December 31, 2008.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2010 or 2009 or debt payment activity during 2010 or 2009. We noted no new debt issuances, nor any debt payment activity during 2010 or 2009.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 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 one instance where the mayor was paid for a meeting and the minutes did not reflect his presence.
 - b. We determined whether the fund and account code(s) to which the check was posted were reasonable based on the employees' duties as required by statute. We also determined whether the payment was posted to the proper year. 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, 2010 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2010. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2011	12-06-10	\$836.58	\$836.58
State income taxes	January 31, 2011	12-06-10	\$ 24.64	\$ 24.64
School Tax	January 31, 2011	12-06-10	\$ 6.90	\$ 6.90
OPERS retirement	January 31, 2011	12-06-10	\$144.89	\$144.89

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2010 and ten from the year ended 2009 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 no exceptions.

Compliance – Budgetary

1. We compared the total amounts from the Amended Official Certificate of Estimated Resources (excluding unencumbered balance), required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Ledger for the General, State Highway, and Auto Permissive funds for the years ended December 31, 2010 and 2009. The amounts on the 2009 Estimated Resources agreed to the amount recorded in the accounting system, except for the General Fund by \$54.50. The Revenue Ledger recorded budgeted resources for the general fund of \$23,481.00 for 2009. However, the final Amended Official Certificate of Estimated Resources reflected \$23,535.50. The amounts on the 2010 Amended Official Certificate of Estimated Resources did not agree to the amount recorded in the Revenue Ledger. The Revenue Ledger reflected budgeted resources for the General Fund of \$17,015.86, State Highway Fund of \$369.24 and the Auto Permissive Fund of \$340.20. However, the final Amended Official Certificate of Estimated Resources reflected \$18,300.00 in the General Fund, \$500.00 in the State Highway Fund and \$350.00 in the Auto Permissive Fund, resulting in variances of \$1,284.14 in the General Fund, \$130.76 in the State Highway Fund, and \$9.79 in the Auto Permissive Fund. The fiscal officer should periodically compare amounts recorded in the Revenue Ledger 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 2010 and 2009 to determine whether, for the General, State Highway, and Auto Permissive funds, the Trustees 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 Appropriation Ledger for 2010 and 2009 for the following funds: General, State Highway and Auto Permissive funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger report in 2009. In 2010, the General Fund did not agree to the appropriation ledger by \$382.48. The State Highway and Auto Permissive Funds agreed to the appropriation ledger for 2010.
4. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General, State Highway, and Auto Permissive funds for the years ended December 31, 2010 and 2009. 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, 2010 and 2009 for the General, State Highway, and Auto Permissive funds, 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, 2010 and 2009. 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 2010 and 2009 Revenue Status Reports and Appropriation Status Reports for evidence of any 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.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2010 and 2009 for material or labor procurements which exceeded \$25,000 and therefore required competitive bidding under Ohio Rev. Code Section 731.14. We identified no purchases subject to the aforementioned bidding requirements.
2. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2010 and 2009 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.

Officials' Response

Cash – Step 2 – Transactions were made after the end-of-year reports were run, but before advancing the UAN system to the next year. For example: one check was voided and interest to the Certificate of Deposit was recorded.

Cash – Step 3 – Transactions were made after the end-of-year reports were run, but before advancing the UAN system to the next year. For example: one check was voided and interest to the Certificate of Deposit was recorded.

Cash – Step 4 – Transactions were made after the end-of-year reports were run, but before advancing the UAN system to the next year. For example: one check was voided and interest to the Certificate of Deposit was recorded.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts – Step 1a – Previous audits did not require said documents; therefore the fiscal officer did not keep these documents. The fiscal officer was not aware or informed of the change until the audit had begun.

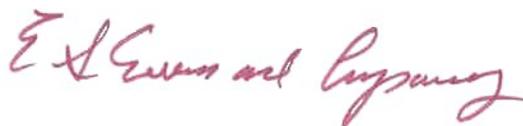
Payroll Cash Disbursements – Step 1a – An error was made by the fiscal officer in marking the roll call for the mayor one month in 2009.

Compliance – Budgetary – Step 1 – An error was made by the fiscal officer when the Amended Official Certificate of Estimated Resources was not consulted after entering the General Fund budgeted revenue.

Compliance – Budgetary – Step 3 – An error was made by the fiscal officer when the Appropriation Resolutions was not consulted after entering the General Fund appropriations.

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, 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 red ink, appearing to read "E. H. Green and Company".



Dave Yost • Auditor of State

VILLAGE OF VENEDOCIA

VAN WERT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 29, 2011