

VILLAGE OF MINERVA PARK

FRANKLIN COUNTY

**JANUARY 1, 2012 TO DECEMBER 31, 2013
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Village Council
Village of Minerva Park
2829 Minerva Lake Road
Columbus, Ohio 43231

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Minerva Park, Franklin County, prepared by Kennedy Cottrell Richards LLC, for the period January 1, 2012 through December 31, 2013. 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 Minerva Park is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

August 14, 2014

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Minerva Park
Franklin County
2829 Minerva Lake Road
Columbus, Ohio 43231

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Minerva Park (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, 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 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 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 31, 2013 and 2012 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the observed 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 and February bank statement, or, if applicable, the financial institutions website. 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 found no exceptions.
6. We tested interbank account transfers occurring in December of 2013 and 2012 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, 2013 and 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 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 funds 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 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 no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Income Tax Receipts

1. We obtained the December 31, 2013 and 2012 Total Distributions reports submitted by the Regional Income Tax Agency (RITA), the agency responsible for collecting income taxes on behalf of the Village. We agreed the total gross income taxes per year to the Village's Receipt Register Report. For 2013, the amounts agreed. For 2012, the total gross income taxes on the RITA distribution report exceeded the amount on the Village's receipt register by \$1,295.

Debt

1. From the prior audit documentation, we noted the following bond, and loans outstanding as of December 31, 2011. These amounts agreed to the Village's January 1, 2012 balances.

Issue	Principal outstanding as of December 31, 2011:
1992 OPWC Waterline Replace-Phase I	\$ 5,699
1996 OPWC Waterline Replace-Phase II	68,253
1999 Lake Restoration Bond	100,000
2002 OPWC Waterline Replace-Phase III	230,484
2002 OPWC Waterline Replace-Phase IV	267,037
2005 OPWC Minerva Lake Road Reconstruction	60,470
2006 OPWC Street Paving	72,986
2009 OPWC Street Paving	62,519
2010 OPWC Street Paving	29,614

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. We noted no new debt issuances, and we noted debt payment activity pertaining to the debt listed in procedure 1, above, during 2013 and 2012.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 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 Employee Detail Adjustment Report 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 employees' personnel files. 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 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	December 23, 2013	\$3,747.43	\$3,747.43
State income taxes	January 15, 2014	December 24, 2013	\$709.29	\$709.29
Village of Minerva Park income taxes (RITA)	January 31, 2014	December 24, 2013	\$316.82	\$316.82
City of Columbus Income Taxes	January 31, 2014	December 30, 2013	\$488.74	\$488.74
City of Westerville Income Taxes	January 31, 2014	December 24, 2013	\$29.54	\$29.54
School district income taxes	January 15, 2014	December 24, 2013	\$43.76	\$43.76
OPERS retirement	January 30, 2014	January 10, 2014	\$3,237.76	\$3,237.76
OP&F retirement	January 31, 2014	January 10, 2014	\$4,858.45	\$4,858.45

3. 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 one instance in which the Fiscal Officer could not locate a purchase order issued in 2011 for a 2012 disbursement, so we were unable to verify whether the disbursement was properly certified. 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 2012 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2013 and 2012 to the Mayor's Court Agency Fund balance reported in the Mayor's Court Monthly Distribution Journal report. The balances agreed.
3. 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.
4. We observed the year-end bank balance on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation without exception.
5. We selected five deposits in transit haphazardly from the December 31, 2013 bank reconciliation:
 - a. We traced each deposit to the credit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We agreed these deposit amounts to the court's cash book. Each deposit in transit was recorded as a December receipt for the same amount recorded in the reconciliation. We found no exceptions.

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. mayor)
 - c. Case file.

The amounts recorded in the cash book, receipts book, docket and case file agreed, except in one instance where the judge did not include the dollar amount of the fine on the judgment entry, ticket, or other case documentation, and the fine charged was not for a standard dollar amount on the Village's fine schedule.

7. 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 check, or proof of online payment or wire transfer, as applicable. The check or payment number, date, payee name and amount recorded on the returned canceled check, or proof of online payment or wire transfer agreed to the check or payment number, date, payee name and amount recorded in the cash book. We found no exceptions.

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, Street Maintenance, and Mayor's Court Computer 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 for the year ended December 31, 2012. The Revenue Status Report recorded budgeted (i.e., certified) receipts for the General Fund of \$1,114,355.89. However, the final *Amended Official Certificate of Estimated Resources* reflected \$1,016,355.89. 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 Maintenance, and Mayor's Court Computer 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 General, Street Maintenance, and Mayor's Court Computer funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report with one exception, as follows: The amount on the appropriation resolution for the General Fund for 2012 was \$28,560 less than the amount on 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 Maintenance and Mayor's Court Computer funds for the years ended December 31, 2013 and 2012. We noted that General Fund appropriations for 2012 exceeded certified resources by \$93,949, 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. We found no other exceptions.
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 Maintenance and Mayor's Court Computer 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, 2013 and 2012. We also inquired of management regarding whether the Village received new restricted receipts. The Village established the FEMA grant fund during 2013 to segregate Federal Emergency Management Agency receipts and disbursements, in compliance with Section 5705.09.
7. We scanned the 2013 and 2012 Revenue Status Reports and Appropriation Status Reports 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 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.

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.





Dave Yost • Auditor of State

VILLAGE OF MINERVA PARK

FRANKLIN 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
AUGUST 26, 2014**