



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

Village of Camden
Preble County
Camden, Ohio

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Camden (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, 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 and Investments

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 Fund Ledger Report to the December 31, 2012 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2013 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, 2014 and 2013 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2014 bank account balances with the Village's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2014 bank reconciliation. The confirmed balances for the certificates of deposit at December 31, 2014 varied by \$570.92 from the amount appearing on the December 31, 2014 bank reconciliation.
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.
 - c. The bank reconciliation at December 31, 2014 included \$2,472.17 of Other Adjusting Factors. There was no support for this reconciling debit.

Cash and Investments (Continued)

6. We tested investments held at December 31, 2014 and December 31, 2013 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 2014 and one from 2013:
 - 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 2014 and 2013. 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 2014 and five from 2013. We also selected five receipts from the County Auditor's Expenditure Ledger from 2014 and five from 2013.
 - 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, 2014 Monthly Distribution Summary Report 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 to the Village's Receipt Register Report. The Village reported \$119,458.20 income tax collected, while the Monthly Distribution Summary Report reported \$118,261.97 distributed to the Village [difference of \$1,196.23].

Water and Sewer Fund

1. We haphazardly selected 10 Water, Sewer, and Trash Fund collection cash receipts from the year ended December 31, 2014 and 10 Water, Sewer and Trash Fund collection cash receipts from the year ended 2013 recorded in the Receipt Register Report 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 U/B Receipt Posting Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the U/B Billing Journal for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit period. We found no exceptions.
 - c. Receipt was posted to the proper funds, and was recorded in the year received. We found no exceptions.

Water and Sewer Fund (Continued)

2. We read the U/B Delinquent Journal.
 - a. We noted this report listed \$5,618.76 and \$4,567.45 of accounts receivable as of December 31, 2014 and 2013, respectively.
 - b. Of the total receivables reported in the preceding step, \$2,544.07 and \$1,525.48 were recorded as more than 60 days delinquent.
3. We read the U/B Adjustment Journal.
 - a. We noted this report listed a total of \$1,515,149.63 and \$36,354.59 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 Mayor approved 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 Villages January 1, 2013 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2012:
Ohio Water Development Authority Loan #2711	\$139,156
Ohio Water Development Authority Loan #2712	\$292,988
Ohio Water Development Authority Loan #4410	\$160,033
Ohio Water Development Authority Loan #4676	\$632,235
Ohio Water Development Authority Loan #4751	\$1,257,668
Ohio Water Development Authority Loan #6027	\$1,798,877
Ohio Public Works Commission Loan	\$180,000
FFB – Revolving Line of Credit	\$125,000

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report 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.
3. We obtained a summary of loan and revolving line of credit debt activity for 2014 and 2013 and agreed principal and interest payments from the related debt amortization schedules to debt service 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 no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Water Debt Service fund per the Receipt Register Report. The Village did not record \$359,087.48 of debt proceeds in 2013. The proceeds were for capitalized interest and direct payments to vendors [for Ohio Water Development Authority Loan #6027].
5. For new debt issued during 2014 and 2013, we inspected the debt legislation, noting the Village must use the proceeds for water system improvements. We scanned the Payment Register Detail Report and noted the Village had expenditures for water system improvements.

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 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 and/or minute record. 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 and minutes 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 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, 2014 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 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	December 2, 2014	\$2,950.73	\$2,950.73
State income taxes	January 15, 2015	December 2, 2014	\$586.87	\$586.87
Village of Camden income taxes	January 31, 2015	December 2, 2014	\$239.36	\$239.36
OPERS retirement	January 30, 2015	December 9, 2014	\$3,718.84	\$3,718.84
OP&F retirement	January 31, 2015	December 8, 2014	\$2,329.76	\$2,329.76

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report 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 no exceptions.

Mayors Court Transactions

1. We tested the mathematical accuracy of the December 31, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2014 and December 31, 2013 to the Mayor's Court Agency Fund balance reported in the Fund Status Reports. The balances did not agree. The reconciled cash total as of December 31, 2014 was \$5,315. The fund balance per the Fund Status Report was \$3,195. The reconciled cash total as of December 31, 2013 was \$21,051. The fund balance per the Fund Status Report was \$7,434.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2014 and 2013 listing of unpaid distributions as of each December 31. The amounts agreed.
4. We confirmed the December 31, 2014 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, 2014 bank reconciliation without exception.
5. We selected the deposit in transit from the December 31, 2014 bank reconciliation:
 - a. We traced the deposit to the credit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We agreed the deposit's amount to the court's cash book. The deposit in transit was recorded as a December receipt for the same amount recorded in the reconciliation.
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.
7. 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 for 2014. We found that the Mayor's Court did not remit fines to the Village for the month tested in 2013 [fines were only remitted to the State of Ohio].
 - 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.

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, State Highway and Water Operating funds for the year ended December 31, 2014 and General, Street Construction Maintenance and Repair and Sewer Operating funds for the year ended December 31, 2013. The amounts on the *Certificate* agreed to the amounts recorded in the accounting system, except for the General Fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General Fund of \$334,480 for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$305,700. 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.

Compliance – Budgetary (Continued)

2. We scanned the appropriation measures adopted for 2014 and 2013 to determine whether, for the General, State Highway, Street Construction Maintenance and Repair, Sewer Operating 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 2014 and 2013 for the following funds: General, State Highway, and Water Operating for year-end December 31, 2014, and General, Street Construction Maintenance and Repair, and Sewer Operating for year-end December 31, 2013. 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, State Highway and Water Operating funds for the year ended December 31, 2014 and General, Street Construction Maintenance and Repair and Sewer Operating funds for the year ended December 31, 2013. We noted that General Fund appropriations for 2013 exceeded certified resources by \$9,959, 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.
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 year ended December 31, 2014 for the General, State Highway and Water Operating fund, and for the year ended December 31, 2013 for the General, Street Construction Maintenance and Repair 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, 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 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, 2014 and 2013 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

1. We inquired of management and scanned the Payment Register Detail Report 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 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.
2. We inquired of management and read the minutes and scanned the Payment Register Detail Report for the years ending December 31, 2014 and 2013 to determine if the Village followed competitive bidding procedures. Ohio Rev. Code Section 731.141 requires that contracts over \$50,000 be awarded using competitive bidding procedures. In 2013 the Village paid \$75,143 to Capital Electric Line Builders for a traffic light project. The Village did not competitively bid this project.

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.



Dave Yost
Auditor of State

Columbus, Ohio

November 20, 2015

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VILLAGE OF CAMDEN

PREBLE 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 15, 2015**