



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Mariemont
Hamilton County
6907 Wooster Pike
Mariemont, Ohio 45227

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

1. We tested the mathematical accuracy of the December 31, 2014 and December 31, 2013 bank reconciliations and Treasurer's reports. We noted no exceptions.
2. We agreed the January 1, 2013 beginning fund balances recorded in the Year to Date Fund Balance Report to the documentation of the December 31, 2012 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the Year to Date Fund Balance Report to the December 31, 2013 balances in the Year to Date Fund Balance Report. We found no exceptions.
3. We agreed the totals per the Treasurer's Reports (which include both bank reconciliation balances and investment balances) to the total of the December 31, 2014 and 2013 fund cash balances reported in the Year to Date Fund Balance Report. The amounts agreed.
4. We observed the December 31, 2014 year-end bank balances on the financial institution's website. The balances agreed. We also observed the December 31, 2013 year-end bank balances on the financial institution's website. The balances agreed.

5. We were unable to select five reconciling debits (such as outstanding checks) haphazardly from the General Account December 31, 2014 bank reconciliation because the Village did not keep an outstanding check detail. We did review the reconciling debits from the December 31, 2014 payroll reconciliation. We traced payroll outstanding checks to the subsequent January bank statement. There was \$709.15 in outstanding checks from the second half of 2014 that we were not able to trace to subsequent bank statements. Also, the Village indicated on the December 31, 2014 payroll account reconciliation \$5,147.04 in outstanding checks written over six months ago. We were unable to agree these outstanding checks to subsequent bank statements because the Village does not maintain a detailed list for these checks.
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 Revenue Balancing Detail 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 Revenue Balancing Detail Report to determine whether it included two real estate tax receipts for 2014 and 2013. We noted the Revenue Balancing Detail 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 DTLs from 2014 and five from 2013.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue Balancing Detail Report in 2013. The amounts agreed.
 - b. We compared the amount from the above reports to the posting spreadsheet maintained by the Fiscal Officer in 2014. We then compared the total amounts to be posted from the spreadsheet to the amounts posted in the Revenue Balancing Detail Report. We noted no exceptions.
 - c. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - d. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Income Tax Receipts

1. We selected five income tax returns filed during 2014 and five from 2013.
 - a. We compared the payment amount recorded on the tax return to the amount recorded Income Tax Cash Receipts Journal. The amounts agreed.
 - b. We compared the Income Tax Cash Receipts Journal batch total from step a. to the amount recorded as income tax receipts on the Income Tax Monthly Report for that date. The amounts agreed.
 - c. We compared the applicable Income Tax Report total to the entry in the Detail Revenue Transactions Report. The amounts agreed for 2014. In 2013 we noted a variance between the Income Tax Monthly Report and the Detail Revenue Transactions report of \$187 where the Income Tax Monthly Report was higher than the Detail Revenue Transactions report.

We determined whether the receipts were recorded in the year received. We found no exceptions.

We selected five income tax refunds from 2014 and five from 2013.

- a. We compared the refund paid from Detail Expense Transactions Report to the refund amount requested in the tax return. The amounts agreed.
- b. We noted each of the refunds were approved by Tax Administrator.
- c. We noted the refunds were paid from the General Fund as is required.

Debt

1. From the prior agreed-upon procedures documentation, we noted the following Capital Lease outstanding as of December 31, 2012. This amount agreed to the Village's January 1, 2013 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2012:
Fire Truck Capital Lease	\$733,625

2. We inquired of management, and scanned the Detail Revenue Transactions report and Accounts Payable Check Proof Report for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. We noted no new debt issuances or any new debt payment activity during 2014 or 2013.
3. We obtained a summary of lease debt activity for 2014 and 2013 and agreed principal and interest payments from the related debt amortization schedule to the Permanent Improvement payments reported in the Expense Balancing Detail Report. We noted that while the payments were recorded they were not recorded as principal and interest payments but as regular expenditures. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.

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 Detail Check Register Report and:

- a. We compared the hours and pay rate, or salary recorded in the Detail Check Register 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, minute record, or as required by statute. 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 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. Departments and funds 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, 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	January 31, 2015	12/24/2014	\$13,992.58	\$13,992.58
State income taxes	January 15, 2015	12/31/2014	\$3,927.31	\$3,927.31
Village of Mariemont income taxes	January 15, 2015	12/29/2014	\$1,935.46	\$1,935.46
OPERS retirement	January 30, 2015	1/14/2015	\$5,139.92	\$5,138.92
OP&F retirement	January 31, 2015	1/14/2015	\$5,905.76	\$5,905.76

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 Detail Check Register 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 Accounts Payable Check Proof 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 Accounts Payable Check Proof 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.

Mayor's Court Transactions and Cash Balances

1. We were unable to test the mathematical accuracy of the December 31, 2014 and December 31, 2013 bank reconciliations. The Village did not reconcile the Mayor's Court accounts.
2. We were unable to compare the reconciled cash totals as of December 31, 2014 and December 31, 2013 to the Mayor's Court Agency Fund balance reported in the Bank Report or the Fund Report. The Village did not reconcile the Mayor's Court accounts, and reported bank account balances of zero on the Bank Report. The Agency Fund does not appear on the Fund Report.
3. We were unable to agree the totals per the bank reconciliations to the total of December 31, 2014 and December 31, 2013 listing of unpaid distributions plus bonds as of each year. The Village did not reconcile the Mayor's Court accounts.
4. We observed the year-end bank balances on the financial institution's website.
5. We were unable to test deposits in transit haphazardly from the December 31, 2014 bank reconciliation. The Village did not reconcile the Mayor's Court accounts.
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. We totaled the various cash book report totals for the months selected and traced them back to monthly memos containing Mayor's Court cash information. We found no exceptions.

- b. The monthly sum of fines and costs collected for those months, as reported on the monthly memos, agreed to the amounts reported as remitted to the Village. The monthly sum of fines and costs collected for those months, as reported on the monthly memos, did not agree to the amounts reported as remitted to the State and County.
- c. The totals remitted for those 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 except for one exception where we noted the Village submitted a check to the State of Ohio in June 2014 for \$12.00 more than the amount recorded in the cash book.

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 Summary Budget Report for the General, Paramedic Services, and Other Capital Outlay funds for the years ended December 31, 2014 and 2013. The amounts on the *Certificate* did not agree to the amounts recorded in the accounting system, for any of the funds tested. The Revenue Summary Budget Report recorded budgeted (i.e. certified) resources for all funds as \$0 for 2014 and 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$3,115,000, \$269,000, and \$357,000 for the General, Paramedic Services, and Other Capital Outlay funds, respectively, in 2014 and \$2,973,000, \$257,000, and \$342,001 for the General, Paramedic Services, and Other Capital Outlay funds, respectively, in 2013. The fiscal officer should periodically compare amounts recorded in the Revenue Summary Budget 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 2014 and 2013 to determine whether, for the General, Paramedic Services, and Other Capital Outlay 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 Expense Budget Summary Report for 2014 and 2013 for the following funds: General, Paramedic, and Other Capital Outlay funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Expense Budget Summary 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, Paramedic Services, and Other Capital Outlay funds for the years ended December 31, 2014 and 2013. 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, 2014 and 2013 for the General, Paramedic Services and Other Capital Outlay fund, as recorded in the Expense Budget Summary. 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 Revenue Balancing Detail 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 Balancing Detail Report and Expense Budget Summary 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 Expense Budget Summary 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 the Confiscated Goods Fund and the Building Standards Fee funds had negative fund balances at December 31, 2014 in the amounts of \$510 and \$385 respectively.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Detail Revenue Transactions 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.

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

December 2, 2015

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VILLAGE OF MARIEMONT

HAMILTON 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 29, 2015