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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of West Milton
Miami County
701 South Miami Street
West Milton, Ohio 45383

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of West Milton (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, 2015 and 2014, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the Year-to-Date Fund Report to the December 31, 2013 balances per the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Year-to-Date Fund Report to the December 31, 2014 balances in the Year-to-Date Fund Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 fund cash balances reported in the Year-to-Date Fund Reports. The amounts agreed.
4. We confirmed the December 31, 2015 bank account balances for the Village's certificate of deposit accounts with the Village's financial institutions. We found no exceptions. We observed the year-end bank balances on the financial institution websites for the Village's checking and money market accounts. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation without exception.

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 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 selected four reconciling credits (such as deposits in transit) haphazardly from the December 31, 2015 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Receipts Journal. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We tested interbank account transfers occurring in December of 2015 and 2014 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
8. We tested investments held at December 31, 2015 and December 31, 2014 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 and Intergovernmental Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2015 and one from 2014:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Journal. 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 Journal to determine whether it included two real estate tax receipts for 2015 and 2014. We noted the Receipts Journal included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2015 and five from 2014. We also selected five receipts from the County Auditor's Vendor Expense Report from 2015 and five from 2014.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Journal. 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, 2015 and 2014 Monthly Revenue Reports submitted by the City of Vandalia, 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 Year-to-Date Revenue Report. The amounts agreed for 2015. Total gross income taxes per the 2014 Year-to-Date Revenue Report were \$1,479 less than the gross income taxes per the Monthly Revenue Reports due to the Village posting refunds as a reduction of gross income taxes for one receipt rather than a disbursement. The Village should verify that all income tax receipts are posted at gross and refunds and collection fees are posted as disbursements.
2. We compared the allocation of income tax receipts for the years ended December 31, 2015 and 2014 to the Village's funds according to the allocation requirements of Ordinance No. CM-11-12. The allocation agreed with the percentages the Ordinance requires.

Water Fund and Sewer Fund

1. We haphazardly selected 10 Water Fund and Sewer Fund collection cash receipts from the year ended December 31, 2015 and 10 Water Fund and Sewer Fund collection cash receipts from the year ended 2014 recorded in the Summary Cash Receipts Journal and determined whether the:
 - a. Receipt amount per the Summary Cash Receipts Journal agreed to the amount recorded to the credit of the customer's account in the Summary Cash Receipts by Cycle and Book Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Summary Cash Receipts by Cycle and Book 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 Accounts Receivable Overdue Report.
 - a. We noted this report listed \$13,038 and \$16,938 of accounts receivable as of December 17, 2015 and 2014, respectively.
 - b. Of the total receivables reported in the preceding step, \$1,438 and \$1,718 were recorded as more than 90 days delinquent.
3. We read the Miscellaneous Charges Journal – Consolidated Report.
 - a. We noted this report listed a total of \$3,188 and \$4,012 non-cash receipts adjustments for the years ended December 31, 2015 and 2014, respectively.
 - b. We selected five non-cash adjustments from 2015 and five non-cash adjustments from 2014, and noted that the Finance Director approved each adjustment.

Debt

1. From the agreed-upon procedures documentation, we noted the following loan outstanding as of December 31, 2013. This amount agreed to the Village's January 1, 2014 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2013:
OPWC – Water Tower Replacement Loan	\$25,290

2. We inquired of management, and scanned the Receipt Journal and Accounts Payable Check Register for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedules to OPWC Debt Service Fund and Utility Meter Replacement Debt Service Fund payments reported in the Accounts Payable Check Register. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.
4. For the new loan issued during 2015, we inspected the loan agreement, noting the Village must use the proceeds to pay for improvements to the wastewater treatment plant. We scanned the Accounts Payable Check Register and the Project Disbursement Listings on the Ohio Public Works Commission web site and noted the Ohio Public Works Commission made all project payments on behalf of the Village for the purposes outlined in the loan agreement. For the new loan issued in 2014, we inspected the loan agreement, noting the Village must use the proceeds to pay to replace water meters. We scanned the Consolidated Check Register and noted the Village purchased new water meters and paid for installation in December of 2014.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Detail Check Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Detail Check Register 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, 2015 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 2015. 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, 2016	January 5, 2016	\$10,711	\$10,711
State income taxes	January 15, 2016	December 30, 2015	\$2,946	\$2,946
Village of West Milton income taxes	January 15, 2016	December 31, 2015	\$686	\$686
OPERS retirement	January 30, 2016	December 30, 2015	\$19,324	\$19,324
OP&F retirement	January 31, 2016	December 31, 2015	\$17,614	\$17,614

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 Detail Register Report:
- Accumulated leave records
 - The employee's pay rate in effect as of the termination date
 - 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 Consolidated Check Register for the year ended December 31, 2015 and ten from the year ended 2014 and determined whether:
- The disbursements were for a proper public purpose. We found no exceptions.
 - 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 Consolidated Check Register and to the names and amounts on the supporting invoices. We found no exceptions.
 - 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.
 - 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 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 Year-to-Date Revenue Report for the General, Street Construction and Maintenance, and Water funds for the years ended December 31, 2015 and 2014. The amounts agreed.
2. We scanned the appropriation measures adopted for 2015 and 2014 to determine whether, for the General, Water, and Sewer 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 Year-to-Date Expense Report for 2015 and 2014 for the following funds: General, OPWC Debt, and Water Capital Improvement funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Year-to-Date Expense 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 Levy and Sewer funds for the years ended December 31, 2015 and 2014. 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, 2015 and 2014 for the General, Street Levy, and Sewer funds, as recorded in the Year-to-Date Expense 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 Transaction Listing for evidence of new restricted receipts requiring a new fund during December 31, 2015 and 2014. 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 2015 and 2014 Fund Transfer Expense Transaction Listing for evidence of interfund transfers exceeding \$3,000 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 Year-to-Date Expense Report 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 Year-to-Date Fund Report for the years ended December 31, 2015 and 2014 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

We inquired of management and scanned the Consolidated Check Register and Year-to-Date Expense Report for the years ended December 31, 2015 and 2014 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

April 14, 2016

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VILLAGE OF WEST MILTON

MIAMI 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
APRIL 28, 2016