

VILLAGE OF TERRACE PARK

HAMILTON COUNTY

**JANUARY 1, 2016 TO DECEMBER 31, 2017
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Village Council
Village of Terrace Park
428 Elm Ave
Terrace Park, OH 45174

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Terrace Park, Hamilton County, prepared by Mountjoy Chilton Medley LLP, for the period January 1, 2016 through December 31, 2017. 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 Terrace 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

May 9, 2018

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Independent Accountants' Report On Applying Agreed-Upon Procedures

Village of Terrace Park and the Ohio Auditor of State
Hamilton County
Terrace Park, Ohio

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and management of Village of Terrace Park (the "Village") and the Auditor of State, on the receipts, disbursements and balances recorded in the Village's cash-basis accounting records for the years ended December 31, 2017 and 2016, including Mayor's court receipts, disbursements and balances, and certain compliance requirements related to these transactions and balances, included in the information provided to us by the management of the Village. Management is responsible for recording transactions; and management, the Mayor, and / or the Council are responsible for complying with the compliance requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

This report only describes exceptions exceeding \$10.

Cash and Investments

1. We validated the mathematical accuracy of the December 31, 2017 and December 31, 2016 bank reconciliations. *We found no exceptions.*
2. We agreed the January 1, 2016 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2015 balances from the documentation in the prior year Agreed-Upon Procedures working papers. *We found no exceptions.*

We also agreed the January 1, 2017 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2016 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, 2017 and 2016 fund cash balances reported in the Fund Status Reports. *The amounts agreed.*
4. We confirmed the December 31, 2017 and 2016 bank account balances with the Village's financial institutions. *We found no exceptions.*
We agreed the confirmed balances to the amounts appearing in the December 31, 2017 and 2016 bank reconciliation. *We found no exceptions.*

Kentucky
Indiana
Ohio

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5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 and 2016 bank reconciliations:
 - a. We traced each debit to clearing in 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 performed procedures relating to investments held at December 31, 2017 and December 31, 2016 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 at random a property tax receipt from one of two *Statements of Semiannual Apportionment of Taxes* (the Statement) for the year ended December 31, 2017 and one from the year ended December 31, 2016:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. *The amounts agreed.*
 - b. We noted 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 noted whether the receipt was recorded in the proper year. *The receipt was recorded in the proper year.*

2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2017 and 2016. *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 the year ended December 31, 2017 and five from the year ended December 31, 2016. We also selected five receipts from the County Auditor's Detail Transaction of the Subsidiary Accounts from the year ended December 31, 2017 and five from the year ended December 31, 2016.
 - a. We compared the amounts from the above reports to the amounts recorded in the Receipt Register Report. *The amounts agreed.*
 - b. We noted whether these receipts were allocated to the proper fund(s). *We found no exceptions.*
 - c. We noted whether the receipts were recorded in the proper year. *We found no exceptions.*

Debt

1. From the prior agreed-upon procedures documentation, we noted the following bond outstanding as of December 31, 2015. This amount agreed to the Village's January 1, 2016 balances on the summary used in step 3.

Issue	Principal outstanding as of December 31, 2015:
Building and Facilities Equipment Refunding Bonds, Series 2016	\$1,470,000

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. *All debt agreed to the summary used in procedure 3.*
3. We obtained a summary of bonded debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedules to general obligation bond retirement 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.*

Issue	Principal outstanding as of December 31, 2016
Building and Facilities Equipment Refunding Bonds, Series 2016	\$1,390,000

Issue	Principal outstanding as of December 31, 2017
Building and Facilities Equipment Refunding Bonds, Series 2016	\$1,310,000

4. We compared and agreed the amount of debt proceeds and other debt activity from the debt documents, including the sources and uses statement provided by the underwriter, to amounts recorded by the Village in Uniform Accounting Network (UAN) and to the related bank statement. *We noted no exceptions.*
5. For new debt issued during 2017 and 2016, we will inspect the debt legislation, and if applicable, note if the Village did not receive proceeds as the debt was refinanced at a lower interest rate. *We found no exceptions as there was no new debt issued in 2016 or 2017.*

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from the year ended December 31, 2017 and one payroll check for five employees from the year ended December 31, 2016 from the Paycor Labor Distribution Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Paycor Labor Distribution Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). *We found no exceptions.*
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. *We found no exceptions.*
 - c. We noted 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. For any new employees selected in step 1 we validated 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. 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; and
 - f. Any other deduction authorizations (deferred compensation, etc.).

We found no exceptions related to steps a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2017 to note 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 2017. 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, 2018	December 27, 2017	\$29,150.77	\$29,150.77

Ohio income taxes	January 15, 2018	December 27, 2017	\$5,591.01	\$5,591.01
Indiana income taxes	January 30, 2018	December 27, 2017	\$573.81	\$573.81
City of North College Hill income taxes	January 15, 2018	December 27, 2017	\$19.41	\$19.41
City of Milford income taxes	January 31, 2018	December 27, 2017	\$353.73	\$353.73
City of Dearborn income taxes	January 15, 2018	December 27, 2017	\$106.59	\$106.59
OPERS retirement	January 30, 2018	January 15, 2018	\$11,662.17	\$11,662.17
OP&F retirement	January 31, 2018	January 15, 2018	\$6,462.67	\$6,462.67

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 Paycor Labor Distribution 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, 2017 and ten from the year ended December 31, 2016 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 and Cash Balances

1. We validated the mathematical accuracy of the December 31, 2017 and December 31, 2016 bank reconciliations. *We found no exceptions.*
2. We compared the reconciled cash totals as of December 31, 2017 and December 31, 2016 to the Mayor's Court Agency Fund balance reported in the Fund Status Reports. *The balances agreed.*
3. We agreed the totals per the bank reconciliations to the total of December 31, 2017 and 2016 listing of unpaid distributions as of each December 31. *The amounts agreed.*
4. We confirmed the December 31, 2017 bank account balance(s) with the Mayor's Court financial institution. *We agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.*
5. 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.

6. From the cash book, we haphazardly selected one month from the year ended December 31, 2017 and one month from the year ended December 31, 2016 and noted 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 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. *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, State Highway and Special Tree Program funds for the years ended December 31, 2017 and 2016. *The amounts agreed.*
2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, for the General, State Highway and Special Tree Program 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 2017 and 2016 for the following funds: General, State Highway and Special Tree Program. *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 Special Tree Program funds for the years ended December 31, 2017 and 2016. *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, 2017 and 2016 for the General, State Highway and Special Tree Program 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 inspected the Receipt Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2017 and 2016. 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 inspected the 2017 and 2016 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$10,000 which Ohio Rev. Code Sections 5705.14 - .16 restricts. *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 inspected the Appropriation Status Reports noting 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 inspected the Cash Summary by Fund Report for the years ended December 31, 2017 and 2016 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (l) 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 inspected the Payment Register Detail Report for the years ended December 31, 2017 and 2016 to validate 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.*

Other Compliance

1. Ohio Rev. Code Section 117.38 requires villages to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Village filed their financial information within the allotted timeframe for the years ended December 31, 2017 and 2016. *No exceptions noted.*
2. We inquired of the fiscal officer and/or inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the fiscal officer obtained the training required by Ohio Rev. Code Section 507.12 and 733.81. *The Appointed Fiscal Officer has obtained the training required by the Ohio Revised Code.*

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.



Cincinnati, Ohio
April 19, 2018



Dave Yost • Auditor of State

VILLAGE OF TERRACE PARK

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
MAY 22, 2018