

**VILLAGE OF ST. HENRY  
MERCER COUNTY  
Agreed-Upon Procedures  
For the Year Ended December 31, 2012**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Dave Yost • Auditor of State

Village Council  
Village of St. Henry  
371 North Linn Street  
St. Henry, Ohio 45883

We have reviewed the *Independent Accountants' Report for Applying Agreed-Upon Procedures* of the Village of St. Henry, Mercer County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2012 through December 31, 2012. 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 St. Henry is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

July 24, 2013

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**VILLAGE OF ST. HENRY  
MERCER COUNTY**

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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

June 20, 2013

Village of St. Henry  
Mercer County  
371 North Linn Street  
St. Henry, OH 45883

To the Fiscal Officer and Village Council:

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the **Village of St. Henry**, Mercer County, Ohio (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 year ended December 31, 2012, 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**

1. We tested the mathematical accuracy of the December 31, 2012 bank reconciliation. We found no exceptions.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance to the December 31, 2011 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of the December 31, 2012 fund cash balances reported in the Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balance with the Village's financial institution. We found no exceptions. We also agreed the confirmed balance to the amounts appearing in the December 31, 2012 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 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.

### **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 2012:
  - a. We traced the gross receipt from the *Statement* to the amount recorded in the Receipt Register Report. The amount 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 2012. We noted the Receipts Register Report included the proper number of tax receipts for the year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2012. We also selected five receipts from the County Auditor's DTL 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 selected five income tax returns filed during 2012.
  - a. We compared the payment amount recorded on the tax return to the amount recorded on the batch total. The amounts agreed.
  - b. We compared the batch total from step a. to the amount recorded as income tax receipts in the Receipt Register Report for that date. The amounts agreed.
2. We determined whether the receipts were recorded in the year received. We found no exceptions.
3. We selected five income tax refunds from 2012.
  - a. We compared the refund paid from Payment Register Detail Report to the refund amount requested in the tax return. The amounts agreed.
  - b. We noted each of the refunds were approved by Village Council.
  - c. We noted the refunds were paid from the Income Tax Fund, as is required.

### **Water and Sewer Fund**

1. We haphazardly selected 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2012 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 Billing Journal. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Billing Journal 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.

**Water and Sewer Fund (Continued)**

2. We read the Customer Balance Report.
  - a. We noted this report listed \$2,083 of accounts receivable as of December 31, 2012.
  - b. Of the total receivables reported in the preceding step, \$142.66 were recorded as more than 90 days delinquent.
3. We read the Cash Receipts Journal.
  - a. We noted this report listed a total of \$102.52 non-cash receipts adjustments for the year ended December 31, 2012.
  - b. We selected five non-cash adjustments from 2012, and noted that the Village Administrator approved each adjustment.

**Debt**

1. From the prior audit documentation, we noted the following notes and loans outstanding as of December 31, 2011. These amounts agreed to the Village's January 1, 2012 balances on the summary we used in step 3.

| <b>Issue</b>            | <b>Principal outstanding as of December 31, 2011:</b> |
|-------------------------|---|
| 2009 Business Park Loan | \$ 134,770  |
| 1994 OPWC Loan          | \$ 10,816   |
| 1995 OPWC Loan          | \$ 27,125   |
| 2006 Bank Note          | \$ 288,869  |
| 2006 OPWC Loan          | \$ 163,446  |

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2012 or debt payment activity during 2012. We noted no new debt issuances. All debt payment activity noted agreed to the summary we used in step 3.
3. We obtained a summary of note debt activity for 2012 and agreed principal and interest payments from the related debt amortization schedules to Sewer, Water Improvement, Wastewater Improvement and Income Tax Funds 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.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2012 from the Payroll Register Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll 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. We also determined whether the payment was posted to the proper year. We found no exceptions.

**Payroll Cash Disbursements (Continued)**

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 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 2012. We noted the following:

| <b>Withholding<br/>(plus employer<br/>share, where<br/>applicable)</b>   | <b>Date Due</b>  | <b>Date Paid</b>  | <b>Amount<br/>Due</b> | <b>Amount Paid</b> |
|--|------------------|-------------------|-----------------------|--------------------|
| Federal income taxes<br>& Medicare<br>(and social security,<br>for employees not<br>enrolled in pension<br>system) | January 31, 2013 | December 17, 2012 | \$ 1,794.69           | \$ 1,794.69        |
| State income taxes   | January 15, 2013 | December 27, 2012 | \$ 871.87             | \$ 871.87          |
| Village of St Henry<br>income taxes  | January 31, 2013 | December 18, 2012 | \$ 1,183.04           | \$ 1,183.04        |
| OPERS retirement   | January 30, 2013 | December 28, 2012 | \$ 7,572.59           | \$ 7,572.59        |
| OP&F retirement  | January 31, 2013 | December 26, 2012 | \$ 693.90             | \$ 693.90          |

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 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 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 Construction Maintenance and Repair, and Income Tax funds for the year ended December 31, 2012. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General and Income Tax Funds. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General Fund of \$447,286 and Income Tax fund of \$740,000 for 2012. However, the final *Amended Official Certificate of Estimated Resources* reflected \$448,181 for the General Fund and \$866,750 for the Income Tax Fund. 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 2012 to determine whether, for the General, Street Construction Maintenance and Repair, and Income Tax 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 2012 for the following funds General, Street Construction Maintenance and Repair, and Income Tax funds. The amounts on the appropriation resolution 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, Street Construction Maintenance and Repair, and Income Tax Funds for the year ended December 31, 2012. 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 year ended December 31, 2012 for the General, Street Construction Maintenance and Repair, and Income Tax 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, 2012. 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 2012 Revenue Status Report and Appropriation Status Report for evidence of interfund transfers exceeding \$10,000 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.

**Compliance – Contracts & Expenditures**

We inquired of management and scanned the Payment Register Detail Report for the year ended December 31, 2012 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.

Village of St. Henry  
Mercer County  
Independent Accountants' Report on  
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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.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.



# Dave Yost • Auditor of State

**VILLAGE OF ST. HENRY**

**MERCER 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 6, 2013**