



Dave Yost • Auditor of State





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

Village of Stryker  
Williams County  
200 North Defiance Street  
P.O. Box 404  
Stryker, Ohio 43557-0404

To the Members of Council:

We have performed the procedures enumerated below, with which the Village Council (the Council) and Mayor, and the management of the Village of Stryker, Williams County, Ohio (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, 2012 and 2011, 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 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Cash Position Report to the December 31, 2010 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2012 beginning fund balances recorded in the Cash Position Report to the December 31, 2011 balances in the Cash Position Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balances reported in the Annual Financial Report. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balances with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances 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 and one from 2011:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue 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 Report to determine whether it included two real estate tax receipts for 2012 and 2011. We noted the Revenue Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2012 and five from 2011. We also selected five receipts from the County Auditor's AOS Confirmations from 2012 and five from 2011.
  - a. We compared the amount from the above reports to the amount recorded in the Revenue 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 compared the allocation of income tax receipts for the years ended December 31, 2012 and 2011 to the Village's funds according to the allocation requirements of Ordinance No. 2003-22. The allocation agreed with the percentages the Ordinance requires.
2. We selected five income tax returns filed during 2012 and five from 2011.
  - a. We compared the payment amount recorded on the tax return to the amount recorded on the batch reports. The amounts agreed.
  - b. We compared the batch report total from step a. to the amount recorded as income tax receipts in the Revenue Report for that date. The amounts agreed.
3. We determined whether the receipts were recorded in the year received. We found no exceptions.

4. We selected five income tax refunds from 2012 and five from 2011.
  - a. We compared the refund paid from the Expense Account Report to the refund amount requested in the tax return. The amounts agreed.
  - b. We noted each of the refunds was approved by the Income Tax Clerk and Fiscal Officer.
  - c. We noted the refunds were paid from the General and Capital Improvement funds as is required.

**Water, Sewer, Refuse, Recycle, and Sidewalk Fund**

1. We haphazardly selected 10 Water, Sewer, Refuse, Recycle, and Sidewalk Fund collection cash receipts from the year ended December 31, 2012 and 10 Water, Sewer, Refuse, Recycle, and Sidewalk Fund collection cash receipts from the year ended December 31, 2011 recorded in the Account Receivable Balance Report and determined whether the:
  - a. Receipt amount per the Account Receivable Balance Report agreed to the amount recorded to the credit of the customer's account in the Payment Batch Posting Report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Billing Master Listing 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 Aging Report.
  - a. We noted this report listed \$3,320 and \$8,890 of accounts receivable as of December 31, 2012 and 2011, respectively.
  - b. Of the total receivables reported in the preceding step, \$3,149 and \$2,666 were recorded as more than 90 days delinquent.
3. We read the A/R Adjustment Update Listing report.
  - a. We noted this report listed a total of \$2,458 and \$1,912 non-cash receipts adjustments for the years ended December 31, 2012 and 2011, respectively.
  - b. We selected five non-cash adjustments from 2012 and five non-cash adjustments from 2011, and noted the Fiscal Officer approved each adjustment.

**Debt**

1. From the prior audit documentation, we noted the following loan outstanding as of December 31, 2010. This amount agreed to the Village's January 1, 2011 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2010:
OWDA Loan	\$1,137,215

2. We inquired of management, and scanned the Revenue Report and Expense Account Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedule to the Capital Improvement Fund and Sewer Fund payments reported in the Expense Account 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 and one payroll check for five employees from 2011 from the Current Payroll Register Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Current 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 minute record and employee timesheets. We also determined whether the payment was posted to the proper year. We found one exception in which the payment of \$165 for an employee mowing around the Village Hall and Fire Station was recorded in the Water, Sewer and Street Funds instead of the General Fund. Payments should be posted to the funds based on the duties performed. No adjustment was made for this error. Because we did not test all payroll disbursements, our report provides no assurance regarding whether or not other similar errors occurred.
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. Department(s) and fund(s) to which the check should be charged
  - d. Retirement system participation and payroll withholding
  - e. Federal, State and 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, 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 (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes and Medicare	January 31, 2013	December 21, 2012	\$2,129.60	\$2,129.60
State income taxes	January 15, 2013	December 21, 2012	844.76	844.76
Village of Stryker income taxes	January 31, 2013	December 21, 2012	561.30	561.30
OPERS retirement	January 30, 2013	January 9, 2013	10,909.61	10,909.61
OP and F retirement	January 31, 2013	January 9, 2013	879.78	879.78

#### **Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the Vendor Check Register for the year ended December 31, 2012 and ten from the year ended December 31, 2011 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 Vendor Check Register 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 one instance where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

### 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 Report for the General, Capital Improvement and Sewer funds for the years ended December 31, 2012 and 2011. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General and Sewer Fund. The Revenue Report recorded budgeted (i.e. certified) resources for the General Fund of \$400,000 in 2012 and the Sewer Fund of \$262,000 for 2011 and \$270,000 in 2012. However, the final *Amended Official Certificate of Estimated Resources* reflected \$416,500 in 2012 for the General Fund and \$267,000 for 2011 and \$286,000 for 2012 in the Sewer 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.
2. We scanned the appropriation measures adopted for 2012 and 2011 to determine whether, for the General, Capital Improvement 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 Expense Account Report for 2012 and 2011 for the General, Capital Improvement, and Sewer Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Expense Account 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, Capital Improvement and Sewer funds for the years ended December 31, 2012 and 2011. 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, 2012 and 2011 for the General, Capital Improvement and Sewer fund, as recorded in the Expense Account 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 Revenue Report for evidence of new restricted receipts requiring a new fund during December 31, 2012 and 2011. 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 and 2011 Revenue Report and Expense Account Report 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 Expense Account 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.

#### **Compliance – Contracts and Expenditures**

We inquired of management and scanned the Expense Account report for the years ended December 31, 2012 and 2011 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

April 2, 2012

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VILLAGE OF STRYKER

WILLIAMS 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 16, 2013