



Dave Yost • Auditor of State

VILLAGE OF SOUTH VIENNA
CLARK COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1
AMP Ohio JV2 & JV5 Revenue Coverage Calculation For the Year Ended December 31, 2013.....	9
AMP Ohio JV2 & JV5 Revenue Coverage Calculation For the Year Ended December 31, 2012.....	11

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of South Vienna
Clark County
South Vienna, Ohio

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of South Vienna (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, 2013 and 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 balances in the Fund Ledger Report. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2012 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, 2013 and 2012 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the Security National Bank and Home City Federal Savings Bank December 31, 2013 bank account balances with the Village's financial institutions. We found no exceptions. We also observed the year-end Star Ohio bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2013 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 tested investments held at December 31, 2013 and December 31, 2012 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 2013 and one from 2012:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report for 2013 and Revenue Ledger for 2012. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper fund 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 for 2013 and Revenue Ledger for 2012 to determine whether it included two real estate tax receipts for 2013 and 2012. We noted the 2013 Receipts Register Report and 2012 Revenue Ledger included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2013 and five from 2012. We also selected five receipts from the County Auditor's Vendor Expense Report from 2013 and five from 2012.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue Ledger. 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.

Water, Sewer, and Electric Fund

1. We haphazardly selected 10 Water, Sewer, and Electric Fund collection cash receipts from the year ended December 31, 2013 and 10 Water, Sewer, and Electric Fund collection cash receipts from the year ended 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 Utility System Daily Cash Receipts Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Utility Billing Trial Balance for the billing period. We found no exceptions.
 - ii. Water and Sewer charges complied with rates in force during the audit period amount recorded for the billing period, plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.
 - iii. Electric charges 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.

Water, Sewer, and Electric Fund

- c. Receipt was posted to the proper fund(s), and was recorded in the year received. We found no exceptions.
2. We read the Utility Billings Delinquent Report.
 - a. We noted this report listed \$26,061, and \$26,971 of accounts receivable for water and sewer charges as of December 31, 2013 and 2012, respectively. The Report also listed \$5,176 and \$9,997 of accounts receivable for electric charges as of December 31, 2013 and 2012 respectively.
 - b. Of the total receivables reported in the preceding step, \$21,573 and \$26,241 were recorded as more than 90 days delinquent for water and sewer charges. There were no delinquencies related to electric charges.
 3. We read the Customer Balance Report and the Utility Billing Trial Balance Report.
 - a. We noted this report listed a total of \$3 and \$99 non-cash receipts adjustments for the years ended December 31, 2013 and 2012, respectively for water and sewer charges. Non-cash receipt adjustments were \$4,581 and \$12,671 for years ended December 31, 2013 and 2012 respectively for electric charges
 - b. We reviewed all non-cash adjustments from 2013 and 2012, and noted that the President of the Board of Public Affairs did not approve any adjustment for water and sewer. The President of the Board of Public Affairs approved all adjustments for electric charges.

Debt

1. We confirmed December 31, 2011 loan balances from American Municipal Power, inc. for OMEGA JV-5 and OMEGA JV-2 loans and tied the December 31, 2011 loan balance for 1993 Sanitary Sewer Project to Annual Statement of Loan Account from United States Department of Agriculture. These amounts agreed to the Villages January 1, 2012 balances on the summary we used in step 3.

<u>Issue</u>	<u>Principal outstanding as of December 31, 2011:</u>
1993 Sanitary Sewer	\$112,534
OMEGA JV-5 Financing	121,947
OMEGA JV-2 Financing	28,361

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. All debt noted agreed to the summary we used in step 3. We noted no new debt issuances during 2013 or 2012.
3. We obtained a summary of loan and notes debt activity for 2013 and 2012 and agreed principal and interest payments from the related debt amortization schedule(s) to debt service 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. The debt service payments were paid timely; however, amortization schedules did not agree to the debt payments. The payments were made in accordance with the invoices received from the lenders.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 and one payroll check for five employees from 2012 from the Employee Detail Adjustment Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). There was no indication that the pay rates were approved by the Council and there were no salary notices or pay schedules in employees' personnel files.
 - b. We determined whether the fund and account code(s) 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 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 & Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found one exception related to steps a. – f. above. Authorized salary or pay rates were not maintained in the employees' personnel files.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 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 2013. 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, 2014	December 31, 2013	\$1,480	\$1,480
State income taxes	January 15, 2014	December 30, 2013	274	274
City of Springfield Income Tax	January 31, 2014	December 30, 2013	149	149
School District Tax -1205	January 31, 2014	December 30, 2013	3	3
OPERS retirement	January 30, 2014	January 22, 2014	2,101	2,101

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2013 and ten from the year ended 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.

Non-Payroll Cash Disbursements

- 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 Status Report for the General, Street Construction Maintenance and Repair, and State Highway funds for the years ended December 31, 2013 and 2012. The amounts agreed.
2. We scanned the appropriation measures adopted for 2013 and 2012 to determine whether, for the General, Street Construction Maintenance and Repair, and State Highway 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 2013 and 2012 for the following funds: General, Street Construction Maintenance and Repair, and State Highway. 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, Street Construction Maintenance and Repair, and State Highway funds for the years ended December 31, 2013 and 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 years ended December 31, 2013 and 2012 for the General, Street Construction Maintenance and Repair, and State Highway fund, 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, 2013 and 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 2013 and 2012 Revenue Status Reports and Appropriation Status Reports 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.

Compliance – Budgetary (Continued)

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.
9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2013 and 2012 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 negative cash fund balance.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2013 and 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.

Compliance – American Municipal Power Joint Venture Debt Covenant Requirements

1. The Village is a member of Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2). Appendix M, Section 11(A) of the Joint Venture Agreement requires the Village's Electric Utility receipts, as defined, to be at least 110% of its OMEGA JV2 operating & maintenance plus debt service charges, as defined.

Using information from the Village's unadjusted receipts and disbursements ledger, we calculated the cash basis debt coverage including other available funds (as defined) for its OMEGA JV2 for the years ended December 31, 2013 and 2012.

For the year ended December 31, 2013, the ratio of the Village's Electric Utility receipts to OMEGA JV2 debt service disbursements was 55.08, meeting the Village's debt covenant obligation of 1.10 times set forth in Appendix M, Section 11(A) of the Joint Venture Agreement.

For the year ended December 31, 2012, this ratio was 51.46, thus meeting the Village's debt covenant obligation.

Exhibit JV2 & JV5 Revenue Coverage Calculation presents the supporting calculations.

2. The Village is a member of Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Section 17(A) of the Joint Venture Agreement requires the Village's Electric Utility receipts, as defined, to be at least 110% of its OMEGA JV5 operating & maintenance plus debt service charges, as defined.

Using information from the Village's unadjusted receipts and disbursements ledger, we calculated the cash basis debt coverage for its OMEGA JV5 for the years ended December 31, 2013 and 2012.

Compliance – American Municipal Power Joint Venture Debt Covenant Requirements (Continued)

For the year ended December 31, 2013, the ratio of the Village's Electric Utility receipts to OMEGA JV5 debt service disbursements was 4.60, meeting the Village's debt covenant obligation of 1.10 times set forth in Section 17(A) of the Joint Venture Agreement.

For the year ended December 31, 2012, this ratio was 5.24, thus meeting the Village's debt covenant obligation.

Exhibit JV2 & JV5 Revenue Coverage Calculation presents the supporting calculations.

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

April 15, 2014

This page intentionally left blank.

AMP Ohio JV 2 & JV 5 Revenue Coverage Calculation
ELECTRIC FUND
VILLAGE OF SOUTH VIENNA
CLARK COUNTY
Basis Of Accounting: Cash

Year
2013

Statement of Revenues, Expenses and Changes in Fund Balances-- Operating Fund

Operating Revenues:

Charges for Services		\$553,223
	Total Operating Revenues	553,223

Operating Expenses:

Personal Services		27,356
Other Purchased Power Expenses		434,111
Materials & Supplies		13,855
Other Operating Expenses		4,535
	Total Operating Expenses	479,857

Total Operating Income 73,366

Non-operating Income/Expenses:

Non Operating Expenses		(15,954)
Net Nonoperating Revenue		(15,954)

Fund Balance - January 1		805,353
Fund Balance - December 31		\$862,765

Calculation of Debt Coverage:

JV5

1	Operating Income (From Above)		\$73,366
2	Add back: JV5 Debt Service (If included above as Operating Expense)		
3	JV2 Debt Service (If included above as Operating Expense)		
4	Other Electric System Debt Service (If included above as Operating Expense)		
5	Depreciation (GAAP) / Capital outlay (cash basis)		
6	kWh Tax from General Fund Included in either Transfers In or Operating Income		
7	Adjusted Operating Income Available for Debt Service (L1+L2+L3+L4+L5+L6)		73,366
8	Debt: Omega JV5 Debt Service principal + interest		11,275
9	OMEGA JV2 Debt Service principal + interest		4,679
10	Other Electric System Debt Service principal + interest		15,954
11	Total Electric System Debt Service(L8+L9+L10)		15,954
12	Coverage (JV5 Covenants require 110% or 1.1 times coverage of all debt) (L7/L11)		4.5986

AMP Ohio JV 2 & JV 5 Revenue Coverage Calculation
ELECTRIC FUND
VILLAGE OF SOUTH VIENNA
CLARK COUNTY
Basis Of Accounting: Cash

Year 2013

JV2

13	Other Electric System Debt Service (Total Adjusted for Total AMP-Ohio Loan P&I paid)	
14	Other Funds Available for Debt Service	
15	Beginning of year Cash and Cash Equivalents	805,353
16	Debt Service Reserve Fund (If applicable)	805,353
17	Total Other Funds Available for Debt Service (L15+L16)	805,353
18	Coverage (JV2 Covenants require 110% or 1.1 times coverage of all debt) $((L7+L17)/(L11-L10+L13))$	55.0783

Note: The Fund Balance in a cash basis system is the Cash Balance.

1 Months Revenues (Average) [equals charges for services / 12]	46,102
Fund Balance	\$862,765
Months of Electric Fund Balance "in reserve" (i.e. on hand)	18.7

AMP Ohio JV 2 & JV 5 Revenue Coverage Calculation
ELECTRIC FUND
VILLAGE OF SOUTH VIENNA
CLARK COUNTY
Basis Of Accounting: Cash

Year
2012

Statement of Revenues, Expenses and Changes in Fund Balances-- Operating Fund

Operating Revenues

Charges for Services		\$484,127
	Total Operating Revenues	484,127

Operating Expenses

Personal Services		27,080
Other Purchased Power Expenses		359,949
Materials & Supplies		8,090
Other Operating Expenses		5,301
	Total Operating Expenses	400,420
	Total Operating Income	83,707

Nonoperating Income/Expenses

Non Operating Expenses		(15,960)
Net Nonoperating Revenue		(15,960)

Fund Balance - January 1		737,606
Fund Balance - December 31		\$805,353

Calculation of Debt Coverage:

JV5

1	Operating Income (From Above)	\$83,707
2	Add back: JV5 Debt Service (If included above as Operating Expense)	
3	JV2 Debt Service (If included above as Operating Expense)	
4	Other Electric System Debt Service (If included above as Operating Expense)	
5	Depreciation (GAAP) / Capital outlay (cash basis)	
6	kWh Tax from General Fund Included in either Transfers In or Operating Income	
7	Adjusted Operating Income Available for Debt Service (L1+L2+L3+L4+L5+L6)	83,707
8	Debt: Omega JV5 Debt Service principal + interest	11,281
9	OMEGA JV2 Debt Service principal + interest	4,679
10	Other Electric System Debt Service principal + interest	
11	Total Electric System Debt Service(L8+L9+L10)	15,960
12	Coverage (JV5 Covenants require 110% or 1.1 times coverage of all debt) (L7/L11)	5.2448

AMP Ohio JV 2 & JV 5 Revenue Coverage Calculation
ELECTRIC FUND
VILLAGE OF SOUTH VIENNA
CLARK COUNTY
Basis Of Accounting: Cash

Year 2012

JV2

13	Other Electric System Debt Service (Total Adjusted for Total AMP-Ohio Loan P&I paid)	
14	Other Funds Available for Debt Service	
15	Beginning of year Cash and Cash Equivalents	737,606
16	Debt Service Reserve Fund (If applicable)	737,606
17	Total Other Funds Available for Debt Service (L15+L16)	737,606
18	Coverage (JV2 Covenants require 110% or 1.1 times coverage of all debt) $((L7+L17)/(L11-L10+L13))$	51.4607

Note: The Fund Balance in a cash basis system is the Cash Balance.

1 Months Revenues (Average) [equals charges for services / 12]	40,344
Fund Balance	\$805,353
Months of Electric Fund Balance "in reserve" (i.e. on hand)	20.0



Dave Yost • Auditor of State

VILLAGE OF SOUTH VIENNA

CLARK 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 8, 2014**