



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Holland
Lucas County
1245 Clarion Avenue
Holland, Ohio 43528-8394

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Holland, Lucas 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, 2014 and 2013, 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, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2013 beginning fund balances recorded in the Year to Date Fund Report to the December 31, 2012 balances in documentation in the prior year agreed-upon procedures working papers. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the Year to Date Fund Report to the December 31, 2013 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, 2014 and 2013 fund cash balances reported in the Year to Date Fund Report. The amounts agreed.
4. We confirmed the December 31, 2014 bank account balances with the Village's financial institutions. We found no exceptions. We also observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2014 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2014 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 interbank account transfers occurring in December of 2014 and 2013 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
7. We tested investments held at December 31, 2014 and December 31, 2013 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 Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2014 and one from 2013:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Detail Revenue Transaction Report. 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 Detail Revenue Transaction Report to determine whether it included two real estate tax receipts for 2014 and 2013. We noted the Detail Revenue Transaction Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2014 and five from 2013. We also selected five receipts from the Lucas County Auditor's Consolidated Expense Listing from 2014 and five from 2013.
 - a. We compared the amount from the above reports to the amount recorded in the Detail Revenue Transaction Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund. 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, 2014 and 2013 to the Village's funds according to the allocation requirements of Ordinance No. 37-2011. The allocation agreed with the percentages the Ordinance requires.
2. We selected five income tax returns filed during 2014 and five from 2013.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the Bank Deposit for Income Tax Department Report. The amounts agreed.

- b. We compared the Bank Deposit for Income Tax Department Report total from step a. to the amount recorded as income tax receipts in the Detail Revenue Transaction Report for that date. The amounts agreed.
- 4. We determined whether the receipts were recorded in the year received. We found no exceptions.
- 5. We selected five income tax refunds from 2014 and five from 2013.
 - a. We compared the refund paid from the Issued Refunds Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We noted each of the refunds were approved by the Tax Administrator.
 - c. We noted the refunds were paid from the Income Tax Refund Account, as is required.

Debt

- 1. From the prior *agreed-upon procedures* documentation, we noted the following loan outstanding as of December 31, 2012. This amount agreed to the Village's January 1, 2013 balance on the summary we used in step 3.

| Issue | Principal outstanding as of December 31, 2012: |
|--------------------------------|------------------------------------------------|
| OPWC Holloway and Hall Streets | \$4,409 |

- 2. We inquired of management, and scanned the Receipt Transaction Report and Detail Expense Transaction Report for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. All debt noted agreed to the summary we used in step 3.
- 3. We obtained a summary of debt activity for 2014 and 2013 and agreed principal and interest payments from the related debt amortization schedules to debt service fund payments reported in the Detail Expense Transaction 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 2014 and one payroll check for five employees from 2013 from the Payroll Detail History Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Detail History Report to supporting documentation (timecard or legislatively-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 position description on the timecard. 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, 2014 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 2014. We noted the following:

| Withholding (plus employer share, where applicable) | Date Due | Date Paid | Amount Due | Amount Paid |
|------------------------------------------------------------------------|------------------|-------------------|-----------------------|--------------------|
| Federal income taxes and Medicare | January 31, 2015 | December 26, 2014 | \$2,797.48 | \$2,797.48 |
| State income taxes | January 15, 2015 | December 24, 2014 | 1,755.43 | 1,755.43 |
| Village of Holland income taxes | January 31, 2015 | December 24, 2014 | 1,714.85 | 1,714.85 |
| OPERS retirement | January 30, 2015 | January 8, 2015 | 8,427.92 | 8,427.92 |
| OP&F retirement | January 31, 2015 | January 8, 2015 | 5,875.24 | 5,875.24 |
| School District Income Taxes | January 15, 2015 | December 24, 2014 | 108.38 | 108.38 |
| Ohio Child Support | January 5, 2015 | December 26, 2014 | 147.77 | 147.77 |

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Detail Expense Transaction Report for the year ended December 31, 2014 and ten from the year ended December 31, 2013 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 Detail Expense Transaction 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 MTD/YTD Expense Report for the General, Streets, and Capital Project funds for the years ended December 31, 2014 and 2013. The amounts agreed.
2. We scanned the appropriation measures adopted for 2014 and 2013 to determine whether, for the General, Streets, and Capital Project 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 MTD/YTD Expense Report for 2014 and 2013 for the following funds: General, Streets, and Capital Project Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the MTD/YTD 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, Streets, and Capital Project funds for the years ended December 31, 2014 and 2013. 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, 2014 and 2013 for the General, Streets and Capital Project fund, as recorded in the MTD/YTD 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 MTD/YTD Expense Report for evidence of new restricted receipts requiring a new fund during December 31, 2014 and 2013. 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 2014 and 2013 Detail Revenue Transaction and Detail Expense Transaction 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.
8. We inquired of management and scanned the MTD/YTD Fund 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 MTD/YTD Fund Report for the years ended December 31, 2014 and 2013 for negative cash fund balances. 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 fund having a negative cash fund balance.

Compliance – Contracts and Expenditures

We inquired of management and scanned the Detail Expense Transaction Report for the years ended December 31, 2014 and 2013 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

May 11, 2015



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VILLAGE OF HOLLAND

LUCAS 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 26, 2015**