



Mary Taylor, CPA
Auditor of State

VILLAGE OF HARBOR VIEW
LUCAS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Agreed-Upon Procedures	1

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Harbor View
Lucas County
P.O. Box 96
Harbor View, Ohio 43434-0096

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Harbor View, Lucas County (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, 2009 and 2008, 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). Government Auditing Standards' independence requirements would normally preclude the Auditor of State from performing this engagement, because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, Government Auditing Standards permits the Auditor of State to perform this engagement, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to perform attest services for Ohio governments.

This report only describes exceptions exceeding \$10.

Cash

1. We tested the mathematical accuracy of the December 31, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Fund Status Report to the December 31, 2007 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2009 and 2008 fund cash balances reported in the Fund Status Reports. The amounts agreed.

4. We confirmed the December 31, 2009 bank account balance with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation without exception.
5. We selected all the outstanding checks from the December 31, 2009 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks 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 2009 and one from 2008:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the UAN Revenue Ledger. 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. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the UAN Revenue Ledger to determine whether it included the proper number of tax receipts for 2009 and 2008:
 - a. Two personal property tax receipts
 - b. Two real estate tax receipts plus two advances in 2009.The UAN Revenue Ledger included the proper number of tax settlement receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2009 and five from 2008.
 - a. We compared the amount from the DTL to the amount recorded in the UAN Revenue Ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

1. We reviewed Rental and Other Miscellaneous Revenues for the year ended December 31, 2009 and for the year ended December 31, 2008, recorded in the UAN Revenue Ledger as Rent from the Harbor View Yacht Club and rent from the U.S. Postal Service and determined if:
 - a. Amount charged complied with rates in force during the period. We found no exceptions.
 - b. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.
2. We identified a receipt posted to the General Fund as Other Miscellaneous Revenues for the year ended December 31, 2008 from BP Corporation for \$20,000 for the purchase of Playground Equipment and determined if:
 - a. Receipt amount agreed to the BP Corporation remittance. We found no exceptions.
 - b. Receipt was used for the purchase of playground equipment and installation. We found no exceptions.

Debt

We inquired of management, and scanned the UAN Revenue Ledger and the UAN Appropriations Ledger for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. We noted no new debt issuances, nor any debt payment activity during 2009 or 2008.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 from the UAN Appropriations Ledger and determined whether the following information in the Harborview Ohio Municipal Code book or 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.)

The Village has no employees other than the Mayor, Clerk-Treasurer, and Council Members.

We found no exceptions related to steps a-f, above, except as noted below.

We found that the Mayor was paid \$155 per month in 2009 and 2008. This monthly salary is contrary to the \$115 per month required by the ***Title III, Section 31.10 of the Harborview Ohio Municipal Code*** prepared by the Village's legal council approved by ordinance on January 12, 2009.

The Village has passed Ordinance 01-2010 on September 13, 2010, amending Title III Section 31.10 of the Village of Harbor View Ohio Municipal Code to correct a clerical error regarding the monthly consideration to be paid to the Mayor for his services rendered.

2. We tested the checks we selected in step 1, as follows:
 - a. We compared salary amount used in computing gross pay to supporting documentation (legislatively approved rate or salary).

We were unable to obtain employee personnel files, and found the Village does not withhold any taxes or retirement. We recommend the Village maintain personnel files with Federal and State Withholding authorization forms, and any other pertinent documentation regarding withholdings, retirement system participation, and employment, and consult with the Village's legal council and/or review IRS, Ohio, and local income tax regulations to determine the requirements for withholding and payment of Federal, State, and local income taxes.

The Village pays the employees share of Social Security and Medicare. We were unable to obtain an Ordinance, Resolution or other documentation approving the Village's payment of the employee's share of Social Security and Medicare. We recommend the Village pass an Ordinance approving the Village's payment of the employee's share of social security and medicare, and include in the Harborview Ohio Municipal Code book.

- b. We reviewed gross pay in the UAN Appropriations Ledger and determined that gross and net pay were the same.

- c. We determined whether the fund and account codes to which the check was posted was reasonable based on the employees' duties as documented in the Harborview Ohio Municipal Code book. We also determined whether the payment was posted to the proper year. We found no exceptions.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Social Security Taxes	January 31, 2010	12/28/09	\$0	\$349.11
Medicare	January 31, 2010	12/28/09	\$0	\$81.64

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2009 and ten from the year ended December 31, 2008 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 one payment made 11/5/09, warrant number 15559 to Advance Auto Parts for \$63.99 that did not have the supporting invoice.
 - 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 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 Permissive Motor Vehicle License Tax funds for the years ended December 31, 2009 and 2008. The amounts agreed.
2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General, Street Construction, Maintenance and Repair and the Permissive Motor Vehicle License 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 amended appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2009 and 2008 for the following funds: General, Street Construction, Maintenance and Repair, and Permissive Motor Vehicle License Tax funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report.
4. Ohio Rev. Code Section 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 Permissive Motor Vehicle License Tax funds for the years ended December 31, 2009 and 2008. 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, 2009 and 2008 for the General, Street Construction Maintenance and Repair and Permissive Motor Vehicle License 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 UAN Revenue Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2009 and 2008. We also inquired of management regarding whether the Village received new restricted receipts.

We noted a one time grant of \$20,000 from the BP Corporation in 2008 for the purchase of playground equipment, and noted the receipts were used as intended. The receipts and related expenditures were posted to the General Fund.

7. We scanned the 2009 and 2008 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.
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 and Expenditures

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2009 and 2008 for material or labor procurements which exceeded \$25,000, and therefore required competitive bidding under Ohio Rev. Code Section 731.14. We identified no purchases subject to the aforementioned bidding requirements.
2. We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2009 and 2008 to determine if the Village had road construction projects exceeding \$30,000 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 and those charged with governance 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

November 22, 2010



Mary Taylor, CPA
Auditor of State

VILLAGE OF HARBOR VIEW

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
DECEMBER 28, 2010**