

Village of Milledgeville  
Fayette County  
Agreed-Upon Procedures  
For the Years Ended December 31, 2009 and 2008

**Caudill & Associates, CPA's**

725 5<sup>th</sup> Street Portsmouth, OH 45662

P: 740.353.5171 | F: 740.353.3749

[www.caudillcpa.com](http://www.caudillcpa.com)



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Fayette County  
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Ohio Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

### Independent Accountants' Report on Applying Agreed-Upon Procedures

Village of Milledgeville  
Fayette County  
P.O. Box 40  
Milledgeville, Ohio 43142

We have performed the procedures enumerated below, with which the Village Council (the Council) and Mayor, and the management of Village of Milledgeville, Fayette County (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 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 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, 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 Ledger 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 Cash Journal. 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 outstanding checks from the December 31, 2009 bank reconciliation:
  - a. We traced each check to the debit appearing in the subsequent January and February bank statements. We found no exceptions.
  - b. We traced the amounts and date written to the Cash Journal, 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 Revenue Ledger. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper fund as required by Ohio Revised 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 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

We noted the 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 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.

### **Debt**

1. We inquired of management, and scanned the minutes, Revenue Ledger and Payment Register 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 Payroll Register and determined whether the following information in the employees' personnel files and minute record 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, except the federal tax withholding forms could not be located for all employees tested. We recommend the Village maintain all documentation to support wages paid and deductions withheld.

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2. We tested the checks we selected in step 1, as follows:
  - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We determined whether the fund and account code(s) to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel files and minute record. 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
Federal income taxes	1/31/10	12/28/09	\$502.98	\$502.98
OPERS retirement (withholding plus employer share)	2/1/10	12/7/09	554.40	554.40

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Cash Journal 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 Cash Journal 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 Revised 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 Revised Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Ledger for the General, Street, and Highway Funds for the years ended December 31, 2009 and 2008. The amounts on the Certificate agreed to the amount recorded in the accounting system, except for the General Fund. The Revenue Ledger recorded budgeted (i.e. certified) resources for the General Fund of \$18,300 in 2008. However, the final Amended Official Certificate of Estimated Resources reflected \$28,755. The Fiscal Officer should periodically compare amounts recorded in the Revenue Ledger 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.

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2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General, Street, and 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 Revised Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Revised Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger for 2009 and 2008 for the following funds: General, Street, and Highway Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledgers.
4. Ohio Revised Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General, Street, and Highway Funds for the years ended December 31, 2009 and 2008. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Revised 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, and Highway Funds, as recorded in the Appropriation Ledger. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Revised Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Revenue Ledger for evidence of new restricted receipts requiring a new fund during the years ended December 31, 2009 and 2008. We also inquired of management regarding whether the Village received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Revised Code Section 5705.09 would require the Village to establish a new fund.
7. We scanned the 2009 and 2008 Revenue Ledgers and Appropriation Ledgers for evidence of interfund transfers which Ohio Revised 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 the Court of Common Pleas.
8. We inquired of management and scanned the Appropriation Ledgers to determine whether the Village elected to establish reserve accounts permitted by Ohio Revised Code Section 5705.13. We noted the Village did not establish these reserves.

**Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the Payment Register 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 Revised Code Section 731.14.

We identified no purchases subject to the aforementioned bidding requirements.

2. We inquired of management and scanned the Payment Register for the years ended December 31, 2009 and 2008 to determine if the Village had road construction projects exceeding \$30,000 for which Ohio Revised 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.

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**Officials' Response**

In the future, the Fiscal Officer will perform reconciliations of formally approved budgetary documents to budgetary information maintained with the accounting system to ensure that information agrees. The Fiscal Officer will also ensure that all withholding forms and other proper documentation to support wages paid and deductions withheld are properly obtained and maintained.

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 the Auditor of State and is not intended to be, and should not be used by anyone other than these specified parties.

*Caudill & Associates, CPA's*

Caudill & Associates, CPA's

June 25, 2010





Mary Taylor, CPA  
Auditor of State

VILLAGE OF MILLEDGEVILLE

FAYETTE 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 3, 2010