

**VILLAGE OF BEAVER**

**PIKE COUNTY**

**JANUARY 1, 2008 TO DECEMBER 31, 2009**

**AGREED UPON PROCEDURES**





# Dave Yost • Auditor of State

January 13, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST  
Auditor of State

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Mary Taylor, CPA  
Auditor of State

Village Council  
Village of Beaver  
P.O. Box 238  
Beaver, Ohio 45613

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Beaver, Pike County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Beaver is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

December 8, 2010



## Balestra, Harr & Scherer, CPAs, Inc.

528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: (740) 289-4131 Fax: (740) 289-3639

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

July 29, 2010

Village Council  
Village of Beaver  
PO Box 238  
Beaver, Ohio 45613

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Beaver, Pike 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, 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' attestations 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 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 five outstanding checks haphazardly 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 Receipt Register Report. The amounts agreed.
  - b. We determined whether the receipts were 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 receipts were recorded in the proper year. The receipts were recorded in the proper year.
2. We scanned the Receipt Register Report 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 Receipts Register Report 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 Receipt Register 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.

**Over-the-Counter Cash Receipts**

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2009 and 10 over-the-counter cash receipts from the year ended December 31, 2008 recorded in the duplicate cash receipts book and determined whether the:

1. Receipt amounts agree to the amount recorded in the Receipt Register Report. The amounts agreed.
2. Amount charged complied with rates in force during the period. We found no exceptions.
3. Receipts were posted to the proper funds, and were recorded in the proper year. We found no exceptions.

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Independent Accountants' Report on Applying Agreed-Upon Procedures

**Debt**

1. We inquired of management and scanned the Receipt Register Report and Payment Register Detail Report for evidence of new bond or note issuances during 2009 or 2008 or outstanding debt as of December 31, 2009 or 2008. Noted two issuances of debt during 2009 and one issuance of debt in 2008. All debt noted agreed to the summary we used in step 2.
2. We obtained a summary of debt activity for 2009 and 2008 and agreed principal and interest payments from the related debt amortization schedule to payments reported in the Payment Register Detail Report. We also compared the date the debt payments were due to the date the Village made the payments. We found no exceptions.
3. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Ledger. The amounts agreed.
4. For new debt issued during 2009 and 2008, we inspected the debt legislation, noting the Village must use the proceeds for improvements to the water and sewer plants. We scanned the Appropriation Ledger and noted the Village disbursed money to contractors for improvements to the water and sewer plants.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check from five employees from 2008 from the Employee Detail Adjustment Report and determined whether the following information in the minutes record and the salary pay rate 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 and fund 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 no exceptions related to steps a. – f. above.

2. We tested the checks we selected in step 1, as follows:
  - a. We compared the salary amount used in computing gross pay to supporting documentation legislatively approved. 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 meeting minutes. We also determined whether the payment was posted to the proper year. We found no exceptions.



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3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether the 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:

<b>Withholding</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Withheld</b>	<b>Amount Paid</b>
Federal income taxes	January 31, 2010	January 13, 2010	\$429.24	\$429.24
State income taxes	January 15, 2010	January 13, 2010	249.67	249.67
OPERS retirement (withholding only)	January 30, 2010	January 13, 2010	393.00	383.00*

\*Due to a calculation error. Was corrected with next payment.

**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 duplicate, 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.
  - 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 of 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 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 and Special Revenue funds for the years ended December 31, 2009 and 2008. We noted the following exceptions:

**2009**

<b>Fund</b>	<b>Certificate of Estimated Resources</b>	<b>Revenue Status Report</b>	<b>Variance</b>
Cemetery	\$6,480	\$7,200	\$720

**2008**

<b>Fund</b>	<b>Certificate of Estimated Resources</b>	<b>Revenue Status Report</b>	<b>Variance</b>
Cemetery	\$6,480	\$7,200	\$720

2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General and Special Revenue 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). No exceptions noted.

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3. We compared total appropriations as required by Ohio Rev. Code, Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2009 and 2008 for the General and Special Revenue funds. We noted no exceptions.
4. Ohio Rev. Code, Section 5705.39, prohibits appropriations from exceeding certified resources. We compared total appropriations to total certified resources for the General and Special Revenue funds for the years ended December 31, 2009 and 2008. No exceptions noted.
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 and Special Revenue funds, as recorded in the Appropriation Status Report. We noted no exceptions.
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, 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 Rev. Code, Section 5705.09, would require the Village to establish a new 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 Sections 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 such reserve accounts.

**Compliance – Contracts and Expenditures**

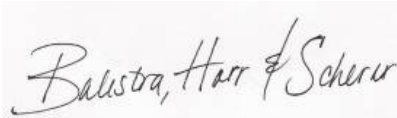
1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2009 and 2008 for material or labor procurements which exceeded \$25,000, and therefore required competitive bidding under Ohio Rev. Code, Section 731.14. We identified no purchases subject to 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.

**Officials' Response:** The Village will take due care to ensure that all amendments to the resources are posted to the accounting and record keeping system to ensure that budgetary activity is properly recorded.

Village of Beaver  
Independent Accountants' Report on Applying Agreed-Upon Procedures

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 we would have 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.

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Balestra, Harr, & Scherer CPAs, Inc.

July 29, 2010

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**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF BEAVER**

**PIKE 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  
JANUARY 13, 2011**