

VILLAGE OF CHATFIELD

CRAWFORD COUNTY

**JANUARY 1, 2010 TO DECEMBER 31, 2011
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Village Council
Village of Chatfield
6799 State Route 4
P.O. Box 102
Chatfield, Ohio 44825

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Chatfield, Crawford County, prepared by Holbrook & Manter, for the period January 1, 2010 through December 31, 2011. 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 Chatfield is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

September 28, 2012



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Village Council
Village of Chatfield
Chatfield, Ohio

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Chatfield, Crawford County, Ohio (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, 2011 and 2010, 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

1. We tested the mathematical accuracy of the December 31, 2011 and 2010 bank reconciliations.
 - No exceptions were noted during the testing of the bank reconciliations.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Fund General Ledger to the December 31, 2009 balances in the prior year agreed upon procedures working papers.
 - We found no exceptions when agreeing the current year beginning balances to the prior year ending balances.
3. We agreed the totals per the bank reconciliations to the totals in the December 31, 2011 and 2010 cash balances reported in the General Ledger.
 - The amounts agreed from the bank reconciliation to the General Ledger.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
OHIO SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

Cash (continued)

4. We confirmed the December 31, 2011 and 2010 bank account balances with the Village's financial institutions and agreed the confirmed balances to the amounts appearing in the December 31, 2011 and 2010 bank reconciliations.
 - The confirmed balances agreed to those amounts within the bank reconciliations, and no exceptions were noted.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2011 bank reconciliation and traced each debit to the subsequent January bank statement and traced the amounts and dates to the check register to determine the details were dated prior to December 31.
 - We found no exceptions when testing the outstanding checks.
6. We tested investments held at December 31, 2011 and 2010 to determine that they were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144 and matured within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14.
 - We found no exceptions when testing investments.

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 2011 and one from 2010 and traced the gross receipts from the Statement to the amount recorded in the Receipt register Report, determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10, and determined whether the receipt was recorded in the proper year.
 - We found no exceptions during our testing of the County receipts regarding the above procedures.
2. We scanned the General Ledger to determine whether it included the proper number of tax receipts for 2011 and 2010, which consist of two personal property tax receipts and two real estate tax receipts.
 - We found no exceptions during our testing of receipts.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2011 and all receipts from 2010 and compared the amounts from the DTL to the amounts recorded in the Receipt Register Report. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
 - We found no exceptions during our testing of the State receipts regarding the above procedures.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (continued)

4. We selected five receipts from the County Auditor's confirmation from 2011 and five from 2010 and compared the amount to the amount recorded in the General Ledger. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
 - We found no exceptions when comparing these five receipts to the General Ledger.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2009.
2. We inquired of management and scanned the General Ledger for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010.
 - We noted no new debt issuances, nor any debt payment activity during 2011 or 2010.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the General Ledger and tested the following attributes:
 - 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)
 - 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 time records and determined whether the payment was posted to the proper year.
 - No exceptions were noted during the payroll check testing.
2. For 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:
 - Name
 - Authorized salary or pay rate.
 - Department(s) and fund(s) to which the check should be charged

Payroll Cash Disbursements (continued)

- Retirement system participation and payroll withholding
 - Federal, State & Local income tax withholding authorization and withholding
 - Any other deduction authorizations (deferred compensation, etc.)
- We found no exceptions related to steps above.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus employer's share where applicable, during the final withholding period during 2011. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income tax	January 31, 2012	December 31, 2011	*242.10	824.86
State income taxes	January 15, 2012	December 31, 2011	22.99	22.99

*- Federal income tax amount withheld and amount paid vary due to the fact that the amount paid represents the total amount withheld for the year and the amount withheld only represents the amount withheld during the final withholding period during 2011. The Village appropriately files an annual 944 instead of quarterly 941s and makes one payment at the end of the year to cover the withholdings for the entire year.

- No exceptions were noted during our testing of payroll withholdings.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2011 and ten from the year ended December 31, 2010 and determined the following:
- The disbursements were for a proper public purpose.
 - 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 General Ledger and to the names and amounts on the supporting invoices.
 - The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used.
 - The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D).
- The following exceptions were noted:
- No purchase orders were used for disbursements requiring certification. 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.

Non-Payroll Cash Disbursements (continued)

Officials Response: The Village is aware of these issues and will consider the implementation of purchase orders in the future.

Compliance-Budgetary

1. We compared the total estimated receipts from the Amended Certificate of Estimated Resources required by Ohio Rev. Code Section 5705.36 (A)(1), to the amounts recorded in the Budget vs. Actual Report for each Fund for the years ended December 31, 2011 and 2010.
 - We noted that the Village did not track their estimated receipts within Quickbooks. The fiscal officer should periodically compare amounts certified to the actual amounts collected in order to monitor spending.

Officials Response: The Village is aware of these issues and will take appropriate corrective action.

2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the General, Street Construction, Maintenance, and Repair fund, the State Highway and Improvements fund, and the Street Lighting Fund, 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 when comparing appropriation measures to employee salaries for personal services.
3. We compared total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation vs. Actual Report for 2011 and 2010 for the General and Special Revenue Funds.
 - The amounts on the appropriation resolutions agreed to the amount recorded in the Appropriation vs. Actual Report.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 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, 2011 and 2010.
 - 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, 2011 and 2010 for the General and Special Revenue Funds, as recorded in the Appropriation vs Actual Report.

Compliance-Budgetary (continued)

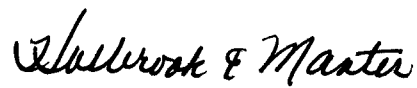
- We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally restricted resources. We scanned the General Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2011 and 2010. 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 2011 and 2010 General Ledger for evidence of interfund transfers which Ohio Rev. Code Sections 5705.14 -.16 restrict.
 - We noted 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 General Ledger 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 & Expenditures

1. We inquired of management and scanned the General Ledger for the years ended December 31, 2011 and 2010 for material or labor procurements which exceeded \$25,000 (\$50,000 effective September 29, 2011), and therefore required competitive bidding under Ohio Rev. Code 731.14.
 - We identified no purchases subject to the aforementioned bidding requirements.
2. We inquired of management and scanned the General Ledger for the years ended December 31, 2011 and 2010 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, the Auditor of State, 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 "Shullbrook & Manta". The script is cursive and fluid.

Certified Public Accountants

July 27, 2012



Dave Yost • Auditor of State

VILLAGE OF CHATFIELD

CRAWFORD 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
OCTOBER 11, 2012