



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Beloit
Mahoning County
17893 Fifth Street
Beloit, Ohio 44609

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Beloit (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, 2012 and 2011, 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, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2010 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balances with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 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.

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 2012 and one from 2011:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. We also traced the advances noted on the Statement to the Receipt Register Report. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper fund(s) 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 Receipt Register Report to determine whether it included two real estate tax receipts for 2012 and 2011 and four advances for 2012. We noted the Receipts Register Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2012 and five from 2011. We also selected five receipts from the County Auditor's DTLs from 2012 and five from 2011.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. 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

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2012 and 10 over-the-counter cash receipts from the year ended 2011 contained in the monthly receipt folders and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was posted to the proper fund(s), and was recorded in the proper year. We found no exceptions.

Charges For Services - Water Operating Fund and Sewer Operating Fund

1. We obtained the Monthly Deposit Report for 2012 and 2011 submitted by United Water, the agency responsible for collecting water and sewer receipts on behalf of the Village. We agreed all individual water and sewer receipts for May and December of 2012 and February and November of 2011, per fund, to the Village's Receipt Register Report. The amounts agreed.

Charges For Services - EMT Fund

1. We confirmed the amounts paid from Complete Healthcare Solutions (CHS), the service organization that performs the emergency medical billings, to the Village during 2012 and 2011 with the Medicare Remittance Advice and/or detailed deposit slips and bank deposit receipts provided by CHS. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we noted the following loan outstanding as of December 31, 2010. This amount agreed to the Village's January 1, 2011 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2010:
Farmers National Bank Loan – Property Purchase	\$40,000

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedule to general fund payments reported in the Payment Register Detail 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 2012 and one payroll check for five employees from 2011 from the Employee Detail Adjustment Report and:
 - a. 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 found no exceptions.
 - b. We determined whether the fund and account code(s) to which the check was posted were 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.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 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 2012. We noted the following:

Payroll Cash Disbursements - (Continued)

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2013	December 28, 2012	\$1,858.97	\$1,858.97
State income taxes	January 31, 2013	December 28, 2012	\$154.13	\$154.13
Sebring LSD Local Income Tax	January 31, 2013	December 28, 2012	\$4.65	\$4.65
OPERS retirement	January 30, 2013	December 28, 2012	\$1,098.58	\$1,098.58

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2012 and ten from the year ended 2011 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 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 estimated receipts 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 Status Report for the General, EMT and Police funds for the years ended December 31, 2012 and 2011. For 2012, the amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General Fund and Police Fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General and Police funds of \$105,495 and \$50,472, respectively, for 2012. However, the final *Amended Official Certificate of Estimated Resources* reflected \$97,150 and \$44,775, respectively. For 2011, the amounts on the *Certificate* did not agree to the amount recorded in the accounting system for the General Fund, EMT Fund, and Police Fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General, EMT and Police funds of \$57,348, \$93,182, and \$57,687, respectively, for 2011. However, the final *Amended Official Certificate of Estimated Resources* reflected \$46,758, \$86,882, and \$55,978, respectively. The fiscal officer should periodically compare amounts recorded in the Revenue Status Report 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.

Compliance – Budgetary - (Continued)

2. We scanned the appropriation measures adopted for 2012 and 2011 to determine whether, for the General, EMT and Police 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). The appropriation measures adopted for 2012 and 2011 were only approved at the fund level.
3. We compared total appropriations required by Ohio Revised Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2012 and 2011 for the following funds: General Fund, EMT Fund, and Police Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report, except for the General Fund in 2011.
4. Ohio Revised 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, Street Construction Maintenance and State Highway funds for the years ended December 31, 2012 and 2011. 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, 2012 and 2011 for the General, Street Construction Maintenance and State Highway funds, as recorded in the Appropriation Status Report. 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 Receipt Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2012 and 2011. 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 2012 and 2011 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$1,000 which Ohio Revised Code Sections 5705.14 - .16 restrict. We noted the Village transferred \$5,000 from the Permissive Motor Vehicle License Fund to the General Fund. Ohio Revised Code Section 5705.16 does not permit this transfer without approval of the Tax Commissioner and the Court of Common Pleas. The Village did not obtain this approval. The Village Clerk corrected the unallowable transfer prior to year-end; therefore, no adjustment is needed.
8. We inquired of management and scanned the Appropriation Status Reports 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

We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2012 and 2011 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 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.

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, flowing style.

Dave Yost
Auditor of State

November 14, 2013



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VILLAGE OF BELOIT

MAHONING 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 12, 2013