



Mary Taylor, CPA  
Auditor of State



VILLAGE OF BEALLSVILLE  
MONROE COUNTY

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Beallsville  
Monroe County  
43057 Ohio Avenue  
Beallsville, Ohio 43716

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Beallsville, Monroe 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 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 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 balances with the Village's financial institution. We found no exception. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation with the exception of the savings account balance. We noted an \$85.25 variance which appeared to be unposted interest. We recommend the Village Clerk-Treasurer post all interest earned on the savings account to the Uniform Accounting Network (UAN) system.
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.

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### **Cash (Continued)**

6. We tested investments held at December 31, 2009 and December 31, 2008 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. 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 receipt was 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 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 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. We also selected five receipts from the County Auditor's 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.

### **Sewer Fund Charges for Services**

1. We haphazardly selected 10 Sewer Fund collection cash receipts from the year ended December 31, 2009 and 10 collection cash receipts from the year ended December 31, 2008 recorded in the RVS Utility Billing System (UBS) Daily Receipt Register and determined whether the:
  - a. Amount recorded to the credit of the customer's account per the Daily Receipt Register agreed to the applicable deposit ticket and/or bank statement. The amounts agreed.
  - b. Amount charged for the related billing period complied with rates in force during the audit period. We found no exceptions.
  - c. Amount charged was posted as a receivable in the Monthly Reconciliation Report for the billing period.
  - d. Receipt was included in a monthly total that was posted to the proper fund in the UAN Receipt Register Report, and was recorded in the proper year. We found no exceptions.

### **Sewer Fund Charges for Services (Continued)**

2. We read the System Totals Report:
  - a. We noted this report listed \$14,751.01 of accounts receivables as of October 31, 2009. We noted this report listed \$22,512.95 of accounts receivable as of December 31, 2008. System Totals Reports for November and December 2009 were not on file. Because the reports cannot be recovered on the accounting system once the month is closed out, we recommend the Village Clerk-Treasurer ensure the Sewer Fund System Totals Reports for the Sewer Fund are on file monthly.
  - b. Of the total receivables reported in the preceding step, \$3,392.50 and \$3,200.08 were recorded as more than 60 days delinquent.
3. We read the October 31, 2009 Sales and Receivables Report:
  - a. We noted the report listed a total of \$10,697.99 in non-cash receipt adjustments through October 31, 2009. This report also included 2008 non-cash receipt adjustments totaling \$11,649.76 for the year ended December 31, 2008. Sales and Receivables Report for November and December 2009 were not on file. Because the reports cannot be recovered on the accounting system once the month is closed out, we recommend the Village Clerk-Treasurer ensure the Sewer Fund Sales and Receivables Reports are on file monthly.
  - b. We read the monthly Adjustment/ Etc. Report and selected five non-cash adjustments from 2009 and five non-cash adjustments from 2008, and noted the Village Council did not document their approval of each adjustment. Since we determined that adjustments were not approved by the Board of Public Affairs, we reviewed property owners' tax bill information on file with the Monroe County Auditor's Office and determined the delinquent amounts were assessed on the property tax bills. We recommend the Board of Public Affairs review and approve all adjustments to sewer accounts bills and receivables. The Board of Public Affairs should approve these adjustments in writing on the monthly Adjustment Reports to document that the adjustments are not fictitious.

### **Debt**

1. We inquired of management and scanned the Receipt Register Report and Payment Register Detail Report for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 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 schedules to street and sewer operating funds 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 an exception. Late fees were assessed due to the Village not making debt payments on time in the amount of \$60.87 in 2009 and \$95.07 in 2008. We recommend the Village make timely debt payments.

### **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 Employee Detail Adjustment Report and determined whether the following information in the personnel binder maintained by the Clerk-Treasurer 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.

**Payroll Cash Disbursements (Continued)**

- 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 hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timesheet, minute record, and/ or ordinance). We found no exceptions.
  - b. 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 Clerk-Treasurer files, minute record, and/ or ordinances. 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:

<b>Withholding</b>	<b>Date Due</b>	<b>Check No</b>	<b>Date Paid</b>	<b>Amount</b>
Federal income taxes	1/31/10	7847 7854	12/31/09 1/4/10	\$539.94 <u>397.16</u> Total liability for quarter: \$937.10
State income taxes	1/15/10	7848 7855	12/31/09 1/4/10	\$74.97 <u>129.60</u> Total liability for quarter: \$204.57
OPERS retirement (withholding plus employee share)	1/30/10	7863	1/30/10	\$677.20

**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 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 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. We found four instances where the certification date was after the vendor invoice date. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should precede the invoice date.

### **Compliance – Budgetary**

1. We compared the total from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Street and Maintenance, and State Highway 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 and Maintenance and State 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 Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total 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 and Maintenance, and State Highway 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 and Maintenance, and State Highway 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 and Maintenance and State Highway 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 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 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 & 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.

**Compliance – Contracts & Expenditures (Continued)**

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.



**Mary Taylor, CPA**  
Auditor of State

July 14, 2010



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF BEALLSVILLE**

**MONROE 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 17, 2010**