



Mary Taylor, CPA  
Auditor of State





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

Village of Bowersville  
Greene County  
3192 Maysville Street, P.O. Box 306  
Bowersville, Ohio 45307

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of Village of Bowersville (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' 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 and Investments

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 also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation and the amounts appearing in the 2008 investment balance. We noted the 2009 and 2008 investment balances were \$214.68 and \$135.59 less than the confirmed amount for the Village's certificate of deposits.
5. There were no outstanding checks noted on the December 31, 2009 bank reconciliation.
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.
  - 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 fund. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Water Operating Fund (Charges for Services)**

1. We haphazardly selected 10 Water Operating Fund collection cash receipts from the year ended December 31, 2009 and 10 collection cash receipts from the year ended 2008 recorded in the Receipt Register Report and determined whether the:
  - a. Receipt amount per the Receipt Register Report agreed to the amount recorded to the credit of the customer's account in the Payment Report. 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 Payment Report for the billing period.
  - d. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.
2. We inquired of the Village Clerk to determine if an accounts receivable report is available for December 31, 2009 and 2008. The Village Clerk stated that the system prepares a monthly report but does not have the capacity to generate historical information nor did the Clerk maintain the monthly listing of accounts receivable. We recommend that the Village print and retain the monthly accounts receivable listing on file according to the Village's public records retention schedule.

**Water Operating Fund (Charges for Services) (Continued)**

3. We inquired of the Village Clerk to determine if a non-cash adjustment report is available for December 31, 2009 and 2008. The Village Clerk stated that no such report exists; adjustments are only approved verbally by the Village administrator and then adjusted by the Clerk. The only documentation of the adjustment is a billing note manually entered by the Clerk. We recommend a list detailing non-cash adjustments be presented to the Village Administrator in writing, that the Administrator signs and dates, and these lists be maintained in a file according to the Village's record retention policy.

**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. 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 Employee Detail Adjustment Report and 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:
  - 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 & 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 (rate or salary approved by Council). We found no exceptions.
  - b. 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. 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>Date Paid</b>	<b>Amount Withheld</b>	<b>Amount Paid</b>
Federal income taxes	January 31, 2010	December 2, 2009 November 8, 2009 October 6, 2009	\$430.95	\$254.77 88.88 87.30
State income taxes	January 15, 2010	December 2, 2009	122.12	122.12
OPERS retirement (with-holding plus employee share)	January 30, 2010	December 2, 2009	949.80	949.80

**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. The fiscal officer certified disbursements requiring certification or 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 Official 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, Street Maintenance and Repair, and Water Operating 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 following funds.

In 2009:

<u>Fund</u>	<u>Amount per Certificate</u>	<u>Amount per Revenue Status Report</u>	<u>Variance</u>
General	\$52,993.00	\$36,149.00	\$16,844

In 2008:

<u>Fund</u>	<u>Amount per Certificate</u>	<u>Amount per Revenue Status Report</u>	<u>Variance</u>
General	\$52,089.00	\$33,581.82	\$18,507.18
Street Maint. & Repair	\$10,806.00	\$10,010.00	796.00
Water Operating	\$39,300.00	\$37,182.20	2,117.80

2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General, Street Maintenance and Repair, and Water Operating 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 Maintenance and Repair, and Water Operating funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report except for the following fund.

In 2008

<u>Fund</u>	<u>Amount per Appropriation Resolution</u>	<u>Amount per Appropriation Status Report</u>	<u>Variance</u>
Street Maint. & Repair	\$16,160.00	\$10,350.00	\$5,810

**Compliance – Budgetary (Continued)**

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 Maintenance and Repair, and Water Operating 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 Maintenance and Repair, and Water Operating funds, as recorded in the Appropriation Status Report. We noted expenditures exceeded appropriations in the Street Maintenance and Repair fund for 2008 in the amount of \$58.71.
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. The Village established the FEMA Wind Event Fund during 2009 to segregate Federal Emergency Management Agency receipts and disbursements, in compliance with Section 5705.09. The Council also established the Hanley Project 2009 Fund and the Fire Hydrant Fund during 2009 and the Well Clean 08 Project and Alley Paving CDBG 07 project fund during 2008 to account for grants funds.
7. We scanned the 2009 and 2008 Revenue Status Reports and Appropriation Status Reports for evidence of inter-fund transfers exceeding \$500 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.
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**

Village Officials' declined to respond to the exceptions noted in this report.

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

March 19, 2010



**Mary Taylor, CPA**  
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**VILLAGE OF BOWERSVILLE**

**GREENE 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  
MAY 11, 2010**