

**VILLAGE OF BEVERLY
WASHINGTON COUNTY**

AGREED UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2011

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Dave Yost • Auditor of State

Village Council
Village of Beverly
919 Mitchell Ave
Beverly, Ohio 45715

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Beverly, Washington County, prepared by Wolfe, Wilson & Phillips, Inc., for the period January 1, 2011 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 Beverly is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

April 17, 2012

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**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Beverly
Washington County
919 Mitchell Avenue
Beverly, Ohio 45715

We have performed the procedures enumerated below, with which the Village Council, Mayor and the management of Village of Beverly, Washington 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 year ended December 31, 2011, including mayor's court receipts, disbursements and balances, 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, 2011 bank reconciliation. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Fund Status Report to the December 31, 2010 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of December 31, 2011 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2011 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, 2011 bank reconciliations without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation.
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the debits were dated prior to December 31, 2011. We found 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 2011.
 - a. We traced the amount 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 funds as required by Ohio Rev. Code 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 2011.
 - i. Two personal property tax receipts.
 - ii. Two real estate tax receipts.

We noted the Receipt 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 2011. We also selected five receipts from the County Auditor's DTLs from 2011.
 - 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.

Debt

1. From the prior audit report, we noted the following debt outstanding as of December 31, 2010. These amounts agreed to the Village's January 1, 2011 balances on the summary used in step 3.

Issue	Principal Outstanding as Of December 31, 2010
2005 OPWC Wellfield	\$ 76,413
2007 OPWC WWTP	\$ 443,972
2008 Swimming Pool Note	\$ 70,241
2010 Fire Truck Note	\$ 159,651

2. We inquired of management and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2011 or debt payment activity during 2011. All debt noted agreed to the summary we used in step 2. We noted no new debt issuances.

3. We obtained a summary of note debt activity for 2011 and agreed principal and interest payments from the related debt amortization schedule to Debt Service Fund 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.

Income Tax Receipts

1. We selected five income tax returns filed during 2011.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the daily excel sheet. The amounts agreed.
 - b. We compared the daily excel sheet from step a. to the amount recorded as income tax receipts in the Receipt Register Report for that date. The amounts agreed.

Income Tax Receipts (Continued)

2. We determined whether the receipts were recorded in the year received. We found no exceptions.
3. We selected five income tax refunds from 2011.
 - a. We compared the refund paid from Payment Register Detail Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We noted each of the refunds were approved by Council.
 - c. We noted the refunds were paid from the General Fund.

Water and Sewer Fund

1. We haphazardly selected 10 Water and Sewer Collection cash receipts from the year ended December 31, 2011 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 Utility Billing Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Utility Billing Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit period multiplied by the consumption amount recorded for the billing period, plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.
 - c. Receipt was posted to the proper fund and was recorded in the proper year. We found no exceptions.
2. We read the Utility Billing Report
 - a. We noted this report listed \$3,517 of accounts receivable as of December 31, 2011, respectively.
 - b. Of the total receivables reported in the preceding step, \$65 were recorded as more than 90 days delinquent.
3. We read the name of the Utility Billing Report.
 - a. We noted this report listed a total of \$1,339 non-cash receipts adjustments for the years ended December 31, 2011, respectively.
 - b. We selected 5 non-cash adjustments from 2011 and noted that the Board of Public Affairs approved each adjustment.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2011 from the Quickbooks Payroll Transaction Detail and:
 - a. We compared the hours and pay rate, or salary recorded in the Quickbooks Payroll Transactions Detail to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions
 - b. We determined whether the fund and account codes to which the check was posted was reasonable based on the employee's duties as documented in the minute record, timesheets or as required by statute. We also determined whether the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. 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 that the amounts paid agreed to the amounts withheld during the final withholding period during 2011. We noted the following:

Withholding (plus employer share Where applicable)	Due Date	Date Paid	Amount W/H	Amount
Federal Income Taxes	January 31, 2012	January 11, 2012	\$ 2,752.78	\$ 2,752.78
State Income Taxes	January 17, 2011	January 11, 2012	544.06	544.06
Local Taxes	January 31, 2012	January 11, 2012	825.34	825.34
OPERS Retirement	January 31, 2012	January 23, 2012	3,650.73	3,650.73
OP&F Retirement	January 31, 2012	January 23, 2012	681.44	681.44

Non-payroll Cash Disbursements

We haphazardly selected ten disbursements from the Payment Register Detail Activity Report for the year ended December 31, 2011 and determined whether:

- a. In our opinion, the disbursements were for a public purpose. We found no exceptions.
- b. The check number, date, payee name and amount recorded on the returned, canceled check image 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 noted 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 one instances where the certification date was after the vendor invoice date and there was no evidence that a Then and Now Certificate was issued. Ohio Revised 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. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Mayors Court Transactions

1. We tested the mathematical accuracy of the December 31, 2011 bank reconciliation. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2011 to the Mayor's Court Agency Fund Balance reported in the Fund Status Report. The balances agreed.
3. We agreed the totals per the bank reconciliation to the total of December 31, 2011 listing of unpaid distributions as of December 31, 2011. The amounts agreed.
4. We confirmed the December 31, 2011 bank account balance with the Mayor's Court financial institution. We found no eceptions.
5. We haphazardly selected five cases from the court cash book and agreed the payee and amount posted to the:
 - a. Duplicate receipt book.
 - b. Docket, including comparing the total fine paid to the judgment issued by the judge(i.e. mayor).
 - c. Case file.

The amounts recorded in the cash book, receipt book, docket and case file agreed.

Mayors Court Transactions (Continued)

6. From the cash book, we haphazardly selected one month from the year ended December 31, 2011 and determined whether:
 - a. The monthly sum of fines and costs allocated for those months agreed to amounts reported as remitted to the Village, State or other applicable government in the following month. We found no exceptions.
 - b. The totals remitted for those two months per the cash book agreed to the returned canceled checks. 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 cash book.

Compliance-Budgetary

1. We compared the total 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 Fund, Street Fund, and the Sewer Operating Fund for the years ended December 31, 2011. The amounts agreed.
2. We scanned the appropriation measures adopted for 2011 to determine whether, for the General Fund, Street Fund and the Sewer Operating Fund, the Village 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). We found no exceptions.
3. We compared total appropriations required by Ohio Revised Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2011 for the following funds: General Fund, Street Fund and the Sewer Operating Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report.
4. Ohio Revised Code Section 5705.39 prohibits appropriations from exceeding the certified resources from Step 1 above. We compared total appropriations to total certified resources for the General Fund, Street Fund and the Sewer Operating Fund for the years ended December 31, 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, 2011 for the General Fund, Street Fund and the Sewer Operating Fund, 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, 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 2011 Revenue Status reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$5,000 which Ohio Revised 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 Revised Code Section 5705.13. We noted the Village did not establish these reserves.

Compliance – Contracts and Expenditures

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

- a. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 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 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 estimates). We identified no projects requiring completion of the force account assessment form.

Official Response: We agree to the exception noted above

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 the Auditor of State and is not intended to be, and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
February 8, 2012



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VILLAGE OF BEVERLY

WASHINGTON 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 1, 2012