



Dave Yost • Auditor of State





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

Village of St. Louisville  
Licking County  
1 School Street  
St. Louisville, Ohio 43071-0149

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of St. Louisville, Licking 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, 2011 and 2010, 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

1. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Cash Receipts Ledger to the December 31, 2009 balances documented in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported in the Cash Receipts Ledger. The amounts agreed.
4. We confirmed the December 31, 2011 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, 2011 bank reconciliation 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 and February bank statements. 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 2011 and one from 2010:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Ledger. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper funds 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 Ledger to determine whether it included two real estate tax receipts for 2011 and 2010. We noted the Receipts Ledger included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2011 and five from 2010. We also confirmed distributions sent to the Village from the County Auditor's ledger reports for 2011 and 2010.
  - a. We compared the amount from the above reports to the amount recorded in the Receipt Ledger. 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.
4. We confirmed the amounts paid from the Ohio Public Works Commission on behalf of the Village during 2010 with the Commission. A total of \$63,934 was expended on behalf of the Village and was not recorded properly on the annual financial report. We recommend the Village record on behalf payments made as a memo receipt and disbursement so the activity is reflected on the financial records.

**Officials' Response:** The receipts and expenditures were tracked in the ledgers but were not reported in the annual financial report.

### Water Fund

1. We haphazardly selected 10 Water Fund collection cash receipts from the year ended December 31, 2011 and 10 Water Fund collection cash receipts from the year ended 2010 recorded in the Utility Payment/Deposit Receipts Journal and determined whether the:
  - a. Receipt amount per the Utility Payment/Deposit Receipts Journal agreed to the amount recorded to the credit of the customer's account in the Customer Transaction List. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Pre-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 year received. We found no exceptions.

**Water Fund (Continued)**

2. We read the Accounts Receivable Report.
  - a. We noted this report only listed accounts receivable by individual account and was not able to prepare a total listing of accounts receivable as of December 31, 2011 and 2010.
  - b. Customer's water is turned off after 30 days delinquent, so the Accounts Receivable Report did not report delinquent amounts of more than 90 days.
3. We read the Customer Transaction History Report.
  - a. We noted this report listed a total of \$2,155 and \$1,550 non-cash receipts adjustments for the years ended December 31, 2011 and 2010, respectively.
  - b. We selected five non-cash adjustments from 2011 and five non-cash adjustments from 2010, and noted that the Clerk-Treasurer approved each adjustment. Due to the fact the Clerk Treasurer performs both duties of collecting water fees and maintaining financial ledgers the Water Board should approve the adjustments; however, they did not.

It was noted that the Village maintains accounts receivable by individual account and is not able to print a total accounts receivable from a prior date. The Water Board should approve all non-cash or cash adjustments.

**Officials' Response:** The Clerk-Treasurer will print a detailed transaction summary report that shows accounts receivable on as-needed basis, and at year-end. The Clerk-Treasurer will present the Board of Public Affairs adjustment transactions for approval on a monthly basis.

**Debt**

1. From the prior agreed-upon procedures documentation, we noted the following loans outstanding as of December 31, 2009. These amounts agreed to the Villages January 1, 2010 balances on the summary we used in step 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2009:</b>
Sewer Facility Planning Project	\$200,000
2008 Police Vehicle Loan	\$ 2,819

2. We inquired of management, and scanned the Receipts Journal and Appropriation Ledger for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of note debt activity for 2011 and 2010 and agreed principal and interest payments from the related debt amortization schedules to General and Street Fund payments reported in the Appropriation Ledger. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Street Fund per the Receipts Journal. The amounts agreed.
5. For new debt issued during 2011 and 2010, we inspected the debt legislation, noting the Village must use the proceeds to repair streets. We scanned the Appropriation Ledger and noted the Village repaired Moreland Street.

**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 Appropriation Ledger and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Journal to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and/or minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
  
2. For any new employees selected in step 1 we determined whether the following information in the minute record 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.

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 the employer's share where applicable, during the final withholding period during 2011. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare	January 15, 2012	January 15, 2012	\$1,008	\$1,009
State income taxes	January 15, 2012	December 31, 2011	\$207	\$207
OPERS retirement	January 30, 2012	December 31, 2011	\$868	\$868

**Non-Payroll Cash Disbursements**

1. From the Appropriation Ledger, we re-footed checks recorded as General Fund disbursements for *security of persons and property*, and checks recorded as *public works* in the Street fund for 2011. We found no exceptions.

### Non-Payroll Cash Disbursements (Continued)

2. We haphazardly selected ten disbursements from the Appropriation Ledger for the year ended December 31, 2011 and ten from the year ended 2010 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 Appropriation Ledger 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 16 instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. 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. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

**Officials' Response:** The Clerk-Treasurer will start utilizing blanket and super blanket certificates.

### Mayors Court Transactions and Cash Balances

1. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2011 and December 31, 2010 to the Mayor's Court Cashbook balances. The balances agreed for December 31, 2011. For the December 31, 2010 reconciliation, the bank balance was \$140 higher than the cashbook balance. The Village should investigate this variance to determine where this distribution needs to be made.

**Officials' Response:** The Mayor and Mayor's Court Clerk researched this matter and made the \$140 distribution to the General Fund.

3. We agreed the totals per the bank reconciliations to the total of December 31, 2011 and 2010 listing of unpaid distributions as of each December 31. The amounts agreed.
4. We confirmed the December 31, 2011 bank account balances with the Mayor's Court financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.
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, receipts book, docket and case file agreed.

**Mayors Court Transactions and Cash Balances (Continued)**

6. From the cash book, we haphazardly selected one month from the year ended December 31, 2011 and one month from the year ended 2010 and determined whether:
  - a. The monthly sum of fines and costs collected for those months agreed to the 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 these 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 estimated receipts from the *Amended Certificate of Estimate Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipts Ledger for the General, Street and Water funds for the years ended December 31, 2011 and 2010. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General in 2011 and 2010 and the Street Fund in 2010, as follows:

Year	Fund	Receipt ledger budgeted (i.e. certified) resources	Estimated Receipts per Final Amended Certificate of Estimated Resources
2011	General	\$114,050	\$121,082
2010	General	\$108,700	\$115,700
2010	Street	\$28,646	\$29,600

The fiscal officer should periodically compare amounts recorded in the Receipts Ledger 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.

**Officials' Response:** The Clerk-Treasurer will make sure the budgetary amounts on the ledgers agree to amounts on the amended certificates.

2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the General, Street and Water 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 Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger for 2011 and 2010 for the following funds: General, Street and Water. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger, except for the General Fund. The Appropriation Ledger reflected appropriations of \$127,243 for 2011. However, the final certified appropriations reflected \$126,943.

**Officials' Response:** We did not receive an officials' response for this exception.



#### **Compliance – Budgetary (Continued)**

4. Ohio Rev. 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 and Water 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, Street and Water funds, as recorded in the Appropriation Ledger. 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 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. The Village established the Capital Projects Fund during 2010 to account for receipts and expenditures associated with improvement made to Moreland Street, in compliance with Section 5705.09.
7. We scanned the 2011 and 2010 Receipts Ledger and Appropriation Ledger for evidence of interfund transfers exceeding \$1,000 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 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 Appropriation 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 Section 731.14.

We identified a street resurfacing project exceeding \$25,000 subject to Ohio Rev. Code Section 731.14. For this project, we noted that the Council advertised the project in a local newspaper, and selected the lowest responsible bidder.

2. We inquired of management and scanned the Appropriation 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.
3. For the road maintenance project described in step 1 above, we read the contract and noted that it required the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. The contract included the Ohio Department of Commerce's schedule of prevailing rates,

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 style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

October 3, 2012



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VILLAGE OF ST LOUISVILLE

LICKING 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  
NOVEMBER 8, 2012