



**Mary Taylor, CPA**  
Auditor of State



VILLAGE OF ST. LOUISVILLE  
LICKING COUNTY

TABLE OF CONTENTS

| TITLE   | PAGE |
|---|------|
| Independent Accountants' Report on Applying Agreed-Upon Procedures..... | 1    |

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## Auditor of State

### 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, 2009 and 2008, 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, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Cash Receipt Ledger 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 Cash Receipt Ledger. The amounts agreed.
4. We confirmed the December 31, 2009 bank account balances with the Village's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation without exception.
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 statements. 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.

### 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 Ledger. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper fund(s) 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 the proper number of tax receipts for 2009 and 2008:
  - a. Two personal property tax receipts
  - b. Two real estate tax receiptsWe noted the Receipt Ledger 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 Ledger. 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.
4. We confirmed the Local Government amounts paid from the Licking County Auditor to the Village during 2009 and 2008 with the County. We also confirm the amounts paid from the Ohio Water Development Authority to the Village with the Authority. 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.

### Water Fund

1. We haphazardly selected 10 Water Fund collection cash receipts from the year ended December 31, 2009 and 10 collection cash receipts from the year ended 2008 recorded in the Utility Payment/Deposit Receipts Journal and determine 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 complied with rates in force during the audit period multiplied by the consumption amount recorded for the billing period. We found no exceptions.
  - c. Amount charged was posted as a receivable in the Pre-Billing Report for the billing period. We found no exceptions.
  - d. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.
2. We read the Transaction Summary Report. The Village records and tracks accounts receivable manually. We reviewed the individual account summary.

### **Water Fund (Continued)**

- a. We noted this report listed \$8,127 and \$7,907 of accounts receivable as of December 31, 2009 and 2008, respectively.
  - b. Of the total receivables reported in the preceding step, \$2,445 and \$2,412 were recorded as more than 90 days delinquent.
3. We read the Customer Transaction History Report. The Village records and tracks non-cash adjustments manually. We reviewed individual accounts.
    - a. Each non-cash adjustment is kept on each individual's account card done manually. We could not obtain a report in summary form.
    - b. We selected three non-cash adjustments from 2009 and three non-cash adjustments from 2008, and noted that only one adjustment was approved by the Water Board.

It was noted that the Village maintained and tracked accounts receivable outside the computerized accounting system, along with any adjustments made to each account. It was also noted that the Water Board does not approve all non-cash or cash adjustments made to customer's accounts. In January of 2010, the Village started using updated software which allows them to run a computerized accounts receivable and adjustment report. This report should be ran each month and provided to the Water Board for approval.

**Officials' Response:** The Village is utilizing the accounts receivable and adjustments reports generated by the new Utility Department accounting system and presenting the information to council for their review and approval.

### **Debt**

1. We inquired of management, and scanned the Receipt Journal and Appropriation Ledger 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 General 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.
3. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General fund per the Receipt Ledger. The amounts agreed.
4. For new debt issued during 2009 and 2008, we inspected the debt legislation, noting the Village must use the proceeds to purchase police vehicles. We scanned the Appropriation Ledger and noted the Village purchased the police vehicles on 2/19/2008.

### **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 Appropriation Ledger and determined whether the following information in the employees' personnel files and/or minutes 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

**Payroll Cash Disbursements (Continued)**

- f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above, except the Department(s) and fund(s) to which the check should be charged was not included in each employee's personnel files. However, proper allocation of pay was proper for each employee. We recommend the Village include which department and fund each employee check should be allocated to.

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

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 (timecard and/or 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 code(s) to which the check was posted was 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.
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:

| Withholding  | Date Due         | Date Paid         | Amount Withheld | Amount Paid |
|--|------------------|-------------------|-----------------|-------------|
| Federal income taxes                               | January 31, 2010 | December 31, 2009 | \$3,878         | \$3,878     |
| State income taxes                                 | January 15, 2010 | December 31, 2009 | \$312           | \$312       |
| OPERS retirement (withholding plus employee share) | January 30, 2010 | December 31, 2009 | \$1,253         | \$1,253     |

**Non-Payroll Cash Disbursements**

1. For the Appropriation Ledger, we refooted checks recorded as General Fund disbursements for *security of persons and property*, and checks recorded as *street maintenance and repair* in the Street Fund for 2009. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the Appropriation Ledger for the years ended December 31, 2009 and 2008 to the total disbursements recorded in the check register. We found no exceptions.
3. We haphazardly selected ten disbursements from the Appropriation Ledger 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 Appropriation Ledger and to the names and amounts on the supporting invoices. We found no exceptions.



### Non-Payroll Cash Disbursements (Continued)

- 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 eight 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.

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

### Mayors Court Transactions and Cash Balances

1. We tested the mathematical accuracy of the December 31, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2009 and December 31, 2008 to the Mayor's Court Agency Fund balance reported in the Cash Journal. The balances agreed.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2009 and 2008 listing of unpaid distributions as of each December 31. The amounts agreed.
4. We confirmed the December 31, 2009 bank account balance 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, 2009 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.

6. From the cash book, we haphazardly selected one month from the year ended December 31, 2009 and one month from the year ended 2008 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 imaged checks from the bank. The check number, date, payee name and amount recorded on the imaged 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 Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipts Ledger for the General, Street and State Highway 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 General Fund. The Receipts Ledger recorded budgeted (i.e. certified) resources for the General fund of \$122,513 for 2009. However, the final *Amended Official Certificate of Estimated Resources* reflected \$139,493. The Receipts Ledger recorded budgeted (i.e. certified) resources

**Compliance – Budgetary (Continued)**

for the General fund of \$138,602 for 2008. However, the final *Amended Official Certificate of Estimated Resources* reflected \$145,602. The fiscal officer should periodically compare amounts recorded in the Receipts Leger 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 Village will implement procedures to ensure that budgetary information recorded in the accounting system agrees to estimated resources approved by the county budget commission.

2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General, Special Law Education and Computer 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 Ledger for 2009 and 2008 for the following funds: General, Special Law Education and Computer. 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 \$132,602 for 2008. However, the final certified appropriations reflected \$120,602.

**Officials' Response:** The Village will implement procedures to ensure that budgetary information recorded in the accounting system agrees to appropriations approved by the Village Council.

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, Police Professional Education and Water funds for the years ended December 31, 2009 and 2008. We noted that Police Professional Education Fund appropriations for 2008 exceeded certified resources by \$180, contrary to Ohio Rev. Code Section 5705.39. The Council should not pass appropriations exceeding certified resources. Allowing this to occur could cause the Village to incur fund balance deficits.

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

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 State Highway 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 Receipts Journal 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 Preliminary Sewer Capital Projects Fund during 2009 to segregate Ohio Public Works Commission receipts and disbursements, in compliance with Section 5705.09.

**Compliance – Budgetary (Continued)**

7. We scanned the 2009 and 2008 Cash Book, Receipt 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, 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 Appropriation Ledger 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

June 1, 2010





Mary Taylor, CPA  
Auditor of State

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  
JULY 27, 2010