

VILLAGE OF CHATFIELD

CRAWFORD COUNTY

JANUARY 1, 2008 TO DECEMBER 31, 2009

AGREED UPON PROCEDURES

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Village Council
Village of Chatfield
Chatfield, Ohio

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Chatfield, Crawford 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 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 for agreed-upon procedures engagements 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 describes any exceptions exceeding \$10.

Cash

1. We tested the mathematical accuracy of the December 31, 2009 and 2008 bank reconciliations.
 - No exceptions were noted during the testing of the bank reconciliations.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Fund General Ledger to the December 31, 2007 balances in the prior year audited financial statements.
 - We found no exceptions when agreeing the current year beginning balances to the prior year ending balances.
3. We agreed the totals per the bank reconciliations to the corresponding totals in the December 31, 2009 and 2008 cash balances reported in the General Ledger.
 - The amounts agreed from the bank reconciliation to the General Ledger.

Cash (continued)

4. We confirmed the December 31, 2009 and 2008 bank account balances with the Village's financial institutions and agreed the confirmed amounts to the corresponding amounts in the bank reconciliations noted in Cash Steps 1, 2, and 3.
 - The confirmed balances agreed to those amounts within the bank reconciliation, and no exceptions were noted.
5. We selected five outstanding checks haphazardly from the December 31, 2009 bank reconciliation and traced to the corresponding bank statements showing timely clearing and traced the check's attributes per the cancelled check to the check register to verify checks were dated on or prior to December 31, 2009, as well as proper recording of checks within the check register.
 - We found no exceptions when testing the outstanding checks.
6. We tested investments held at December 31, 2009 and 2008 to determine that they were a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144 and matured within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14.
 - We found no exceptions when testing investments.

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 and traced the gross receipts from the Statement to the amount recorded in the Receipt register Report, determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10, and determined whether the receipt was recorded in the proper year.
 - We found no exceptions during our testing of the County receipts regarding the above procedures.
2. We scanned the General Ledger to determine whether it included the proper number of tax receipts for 2008 and 2009 which consist of two personal property tax receipts and two real estate tax receipts.
 - We found no exceptions during our testing of receipts.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2009 and all receipts from 2008 and compared the amount from the DTL to the amount recorded in the Receipt Register Report. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
 - We found no exceptions during our testing of the State receipts regarding the above procedures.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (continued)

4. We selected five receipts from the County Auditor's confirmation from 2009 and five from 2008 and compared the amount to the amount recorded in the General Ledger. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
 - We found no exceptions when comparing the County confirms to the General Ledger.

Debt

1. We inquired of management and scanned the General Ledger 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 General Ledger and determined whether the following information in the employee's files was consistent with the information used to compute gross and net pay related to this check:
 - Name
 - Authorized salary or pay rate
 - Department(s) and fund(s) to which the check should be charged
 - Retirement system participation and payroll withholding
 - Federal, State and Local income tax withholding authorization and withholding
 - Any other deduction authorizations (deferred compensation, etc.)
 - No exceptions were noted during the payroll check testing.
2. We tested the checks noted in Payroll Cash Disbursements Step 1 as follows:
 - We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, legislatively or statutorily-approved rate or salary)
 - We determined where 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 time records. We also determined whether the payment was posted to the proper year.
 - No exceptions were noted during our testing of payroll cash disbursements.
3. We examined the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were paid timely, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009.

Payroll Cash Disbursements (continued)

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income tax	January 31, 2010	December 31, 2009	*347.02	992.14
State income taxes	January 15, 2010	December 31, 2009	17.38	17.38
OPERS retirement (withholding plus employee share)	January 30, 2010	December 31, 2009	145.80	145.80

*- Federal income tax amount withheld and amount paid vary due to the fact that the amount paid represents the total amount withheld for the year and the amount withheld only represents the amount withheld during the final withholding period during 2009. The Village appropriately files an annual 944 instead of quarterly 941s and makes one payment at the end of the year to cover the withholdings for the entire year.

- No exceptions were noted during our testing of payroll withholdings.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2009 and ten from the year ended December 31, 2008 and determine the following:
 - The disbursements are for a proper public purpose.
 - 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 General Ledger and to the names and amounts on the supporting invoices.
 - The disbursements are posted to a fund consistent with the restricted purpose for which the fund's cash can be used.
 - The fiscal officer certified disbursements requiring certification or issued a Then and Now Certificate, as required by Ohio Rev. Code Section 5705.41(D).
- The following exceptions were noted:
 - The fiscal officer did not certify disbursements by issuing purchase orders or a Then and Now Certificate, as required. We recommend the fiscal officer and the council certify that monies are available for expenditures before the expense is incurred.

Officials Response: The Village is aware of these issues and will consider the implementation of purchase orders in the future.

Compliance-Budgetary

1. We compared the total from the Amended Certificate of Estimated Resources required by Ohio Rev. Code Section 5705.36 (A)(1), to the amounts recorded in the General Ledger for each Fund for the years ended December 31, 2009 and 2008.

Compliance-Budgetary (continued)

- Estimated resources certified by the County Auditor agreed to the amounts recorded to the financial records: however, we noted the following exceptions when comparing the estimated resources to the actual amounts received:

2009	Certificate of Estimated Resources	General Ledger	Variance
General Fund	17,486	15,484	(2,002)
Special Revenue:			
Street Construction, Maintenance, and Repair	5,400	4,351	(1,049)
State Highway and Improvements	400	378	(22)

2008	Certificate of Estimated Resources	General Ledger	Variance
General Fund	16,000	13,577	(2,423)
Special Revenue:			
Street Construction, Maintenance, and Repair	5,400	4,459	(941)
State Highway and Improvements	400	388	(12)

The fiscal officer should periodically compare amounts recorded in the General 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 for the monitoring of spending.

Officials Response: The Village is aware of these issues and will take appropriate corrective action.

2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General, Street Construction, Maintenance, and Repair fund, and the State Highway and Improvements fund, 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 when comparing appropriation measures to employee salaries for personal services.
3. We compared the total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Vs. Actual Report for 2009 and 2008 for the General and Special Revenue Funds.
 - The amounts on the appropriation resolutions agreed to the amount recorded in the Appropriation vs Actual Report.

Compliance-Budgetary (continued)

4. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total estimated resources 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 from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2009 and 2008 for the General, and Special Revenue Funds, as recorded in the Appropriation vs Actual 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 General Ledger 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 General Ledger for evidence of interfund transfers which Ohio Rev. Code Sections 5705.14 -.16 restrict.
 - We noted 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 General 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

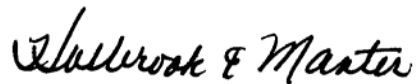
1. We inquired of management and scanned the General Ledger for the years ended December 31, 2009 and 2008 for procurements requiring competitive bidding under the following statutes:
 - Materials, machinery and tools used in constructing, maintaining and repairing roads and culverts, where costs exceeded \$25,000. (Ohio Rev. Code Section 5549.21)
 - Construction and erection of a memorial building or monument costs exceeding \$25,000. (Ohio Rev. Code Section 511.12)
 - Equipment for fire protection and communication costs exceeding \$50,000. (Ohio Rev. Code Sections 505.37 to 505.42)
 - Street lighting systems or improvement costs exceeding \$25,000. (Ohio Rev. Code Section 515.07)

Compliance-Contracts & Expenditures (continued)

- Building modification costs exceeding \$25,000 to achieve energy savings. (Ohio Rev. code Section 505.264)
 - Private sewage collection tile costs exceeding \$25,000. (Ohio Rev. Code Sections 521.02 to 521.05)
 - Fire apparatus, mechanical resuscitators, other fire equipment, appliances, materials, fire hydrants, buildings, or fire-alarm communications equipment or service costs exceeding \$50,000. (Ohio Rev. Code Section 505.37(A))
- We identified no purchases subject to the aforementioned bidding requirements.
2. We inquired of management and scanned the General Ledger for the years ended December 31, 2009 and 2008 to determine if the Village had road construction projects exceeding \$45,000 for which Ohio Rev. Code Section 5575.01 requires the County Engineer to complete a force account project assessment form (i.e., cost estimate).
- We identified no projects subject to the aforementioned bidding requirements.

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 preformed 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.



Certified Public Accountants

July 26, 2010

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Mary Taylor, CPA
Auditor of State

VILLAGE OF CHATFIELD

CRAWFORD 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 4, 2010**