

**VILLAGE OF STAFFORD  
MONROE COUNTY**

**AGREED UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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





# Dave Yost • Auditor of State

Members of Council  
Village of Stafford  
42459 Mill Street  
PO Box 334  
Stafford, Ohio 43786

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Stafford, Monroe County, prepared by Wolfe, Wilson & Phillips, Inc., for the period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted this report 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 Stafford is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

September 20, 2011

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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 Stafford  
Monroe County  
P.O. Box 334  
Stafford, Ohio 43786

We have performed the procedures enumerated below, with which the Village Council, Mayor and the management of Village of Stafford, Monroe County, Ohio (the Village) and the Auditor of State 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, 2010 and 2009 and certain compliance requirements related to these transactions and balances. Management is responsible for recording transaction; 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 Publics 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, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balances recorded in the Cash Journal to the December 31, 2008 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, 2010 and 2009 fund cash balances reported in the Cash Journal. The amounts agreed.
4. We confirmed the December 31, 2010 and 2009 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, 2010 and 2009 bank reconciliations without exception.
5. We selected five outstanding reconciling debits (such as outstanding checks) haphazardly from the December 31, 2010 bank reconciliation.
  - a. We traced each debit to the subsequent January or February 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, 2010. 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 2010 and one from 2009.
  - a. We traced the amount from the Statement to the amount recorded in the Receipt Ledger. The amounts agreed in 2010 and did not agree in 2009.
  - 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 Ledger to determine whether it included the proper number of tax receipts for 2010 and 2009.
  - i. Two personal property tax receipts.
  - ii. Two real estate tax receipts.We noted the Receipt Ledger included the proper number of tax settlement receipts for 2010 and not for 2009.
  
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2010 and five from 2009. We also selected five receipts from the County Auditor's DTLs from 2010 and five from 2009.
  - 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 funds. We found no exceptions
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. The prior audit report disclosed no debt outstanding as of December 31, 2008.
  
2. We inquired of management and scanned the Appropriation Ledger and Cash Journal for evidence of debt issued during 2010 or 2009 or debt payment activity during 2010 or 2009 outstanding debt as of December 31, 2010 or 2009. All debt noted agreed to the summary we used in step 3. We noted no new debt issuances.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the Payroll Ledger and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Ledger 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 amounts recorded in the payroll ledger. We found no exceptions.
  - c. 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. We also determined whether the payment was posted to the proper year. We found no exceptions.
  
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2010 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2010. We noted the following:

<b>Withholding</b>	<b>Due Date</b>	<b>Date Paid</b>	<b>Amount W/H</b>	<b>Amount</b>
Federal Income Taxes	January 31, 2011	Did not pay	\$ -	\$ -
State Income taxes	January 15, 2011	Did not pay	-	-
OPERS Retirement				
(withholding plus				
Employee share)	January 31, 2011	December 31, 2010	16.00	16.00

As noted above, the Village did not pay OPERS in a timely manner. Also, the wages of the fiscal officer was low enough that federal income tax and state income tax was not required to be withheld and paid. However, medicare tax should have been withheld and remitted and this was not done.

**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 transportation in the Street Fund for 2010. We found no exceptions.
  
2. We haphazardly selected ten disbursements from the Appropriation Ledger for the year ended December 31, 2010 and ten from the year ended December 31, 2009 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 Appropriation Ledger 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 eleven instances where the certification date was after the vendor invoice date and there was also no evidence that a Then and Now Certificate is used. 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.

### **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 Receipt Ledger for the General Fund, Street Fund, and the State Highway Fund for the years ended December 31, 2010 and 2009. The amounts on the Certificate agreed to the amount recorded in the accounting system except for the Street Fund and State Highway Fund in 2009. The Receipt Ledger recorded budgeted (i.e. certified) resources for the Street Fund \$0 and of \$0 for the State Highway Fund. However, the final Amended Official Certificate of Estimated Resources reflected \$3,450 in the Street Fund and reflected \$300 in the State Highway Fund. The amounts on the Certificate agreed to the amount recorded in the accounting system except for the Street Fund and State Highway Fund in 2010. The Receipt Ledger recorded budgeted (i.e. certified) resources for the Street Fund of \$0 and for the State Highway Fund of \$0. However, the final Amended Official Certificate of Estimated Resources reflected \$3,450 for the Street Fund and reflected \$300 for the State Highway Fund. The fiscal officer should periodically compare amounts recorded in the Receipt 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.
2. We scanned the appropriation measures adopted for 2010 and 2009 to determine whether, for the General Fund, Street Fund and the State Highway 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 Ledger for 2010 and 2009 for the following funds: General Fund, Street Fund and the State Highway Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger.
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, 2010 and 2009. We noted that the Street Fund appropriations for 2009 exceeded certified resources by \$2,565, 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.
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, 2010 and 2009 for the General Fund, Street Fund and the State Highway Fund, as recorded in the Appropriation Ledger. 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 Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2010 and 2009. 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.



**Compliance-Budgetary (Continued)**

7. We scanned the 2010 and 2009 Receipt Ledger and Appropriation Ledger 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 Ledger 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 Appropriation Ledger for the years ended December 31, 2010 and 2009 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, 2010 and 2009 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 Revised 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  
July 15, 2011

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# Dave Yost • Auditor of State

VILLAGE OF STAFFORD

MONROE 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  
OCTOBER 4, 2011