

VILLAGE OF BELLVILLE

RICHLAND COUNTY

**JANUARY 1, 2014 TO DECEMBER 31, 2015
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Village Council
Village of Bellville
142 Park Place
Bellville, Ohio 44813

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Bellville, Richland County, prepared by Julian & Grube, Inc., for the period January 1, 2014 through December 31, 2015. 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 Bellville is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

October 12, 2016

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Julian & Grube, Inc.
Serving Ohio Local Governments

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Bellville
Richland County
142 Park Place
Bellville, Ohio 44813

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Bellville (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, 2015 and 2014, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the Cash Fund Summary Report to the December 31, 2013 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Cash Fund Summary Report to the December 31, 2014 balances in the Cash Fund Summary Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2015 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, 2015 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 bank reconciliation:
 - a. We traced each debit to the subsequent January 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.

6. We tested investments held at December 31, 2015 and December 31, 2014 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. 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 2015 and one from 2014:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue Ledger Report. 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 Revenue Ledger Report to determine whether it included two real estate tax receipts for 2015 and 2014. We noted the Revenue Ledger Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2015 and five from 2014. We also selected five receipts from the County Auditor's Vendor Invoice List from 2015 and five from 2014.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue Ledger 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.
4. We agreed the amounts paid from (and on behalf by) the Ohio Water Development Authority (OWDA), the Ohio Public Works Commission (OPWC), and the Ohio Department of Transportation to the Village during 2014 to the organizations distribution transaction ledgers. We also agreed the amounts paid from (and on behalf by) the OWDA and the OPWC to the Village during 2015 to the organizations distribution transaction ledgers. We found no exceptions, except as noted below.
 1. In 2014, on payment from OWDA Loan #6694, in the amount of \$6,150.00 was recorded in the Water Operating fund; however, it should have been recorded in the Sewer Operating fund. The Village corrected this as of the date of this report.
 2. In 2014, OWDA Loan #6832 had on behalf proceeds of \$3,321.00 (OWDA fee), \$97,154.69 (payment of planning loan/issuance of construction loan), and \$249.05 (capitalized interest) on behalf proceeds which were excluded from the Village records.
 3. In 2014, OWDA Loan #6694 had on behalf proceeds of \$20,243.83 (payment of planning loan/issuance of construction loan) which were excluded from the Village records.
 4. In 2014, OWDA Loan #6662 had on behalf proceeds of \$400 (OWDA fee) and \$1,124.69 (capitalized interest) on behalf proceeds which were excluded from the Village records.
 5. In 2015, OWDA Loan #6694 had on behalf proceeds of \$3,821.99 that was recorded in the Water Operating fund; however it and should have been recorded in the Sewer Operating fund. The Village corrected this as of the date of this report.
 - a. We determined whether these receipts were allocated to the proper funds. We found no exceptions, except as noted above in #4 (2) and #4 (6).
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions, except as noted above regarding on behalf OWDA payment of planning loan/issuance of construction loan.

Income Tax Receipts

1. We compared the allocation of income tax receipts for the years ended December 31, 2015 and 2014 to the Village's funds according to the allocation requirements of Ordinance No. 2012-13. The allocation agreed with the percentages the Ordinance requires, except in 2015 the General fund was overstated \$657 and the Street Construction, Maintenance and Repair fund was understated by the same amount. The Village corrected this as of the date of this report.
2. We selected five income tax returns filed during 2015 and five from 2014.
 - c. We compared the payment amount recorded on the tax return to the amount recorded on the cash register tape. The amounts agreed.
 - d. We compared the cash register tape total from step a. to the amount recorded as income tax receipts in the Income Tax Cash Receipts Journal for that date. The amounts agreed.
3. We determined whether the receipts were recorded in the year received. We found no exceptions.
4. We selected five income tax refunds from 2015 and five from 2014.
 - a. We compared the refund paid from Appropriation Ledger Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We noted each of the refunds were approved by the Income Tax Administrator.
 - c. We noted the refunds were paid from the Income Tax Fund, as is required.

Water, Sewer and Storm Water Funds

1. We haphazardly selected 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2015 and 10 Water and Sewer Fund collection cash receipts from the year ended 2014 recorded in the Transaction List Report and determined whether the:
 - a. Receipt amount per the Transaction List Report agreed to the amount recorded to the credit of the customer's account in the Transaction List Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Transaction List 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 funds, and was recorded in the year received. We found no exceptions, except one receipt in 2015 where the Water fund was overstated \$19.35, the Sewer fund was understated \$16.35 and the Storm Sewer fund was understated \$3 due to incorrect payment allocation. The Village consulted with their software company and corrected this issue as of the date of this report.
2. We read the Aged Receivable Report:
 - a. We noted this report listed \$6,631 and \$8,144 of accounts receivable as of December 31, 2015 and 2014, respectively.
 - b. Of the total receivables reported in the preceding step, \$1,124 and \$2,652, respectively were recorded as more than 90 days delinquent.
3. We read the Transaction List non-cash A/R adjustments report:
 - a. We noted this report listed a total of \$8,576 and \$5,414 non-cash receipts adjustments for the years ended December 31, 2015 and 2014, respectively.
 - b. We selected five non-cash adjustments from 2015 and five non-cash adjustments from 2014, and noted that the Village Administrator approved each adjustment.

Debt

1. From the prior audit documentation, we noted the following bonds, leases, notes and loans outstanding as of December 31, 2013. These amounts agreed to the Villages January 1, 2014 balances on the summary we used in step 3, except we noted the Village's balances were \$153,786 higher than the prior audit documentation.

Issue	Principal outstanding as of December 31, 2013:
Various Bonds - First Knox National - 2011	\$711,200
Truck Bond - First Knox National - 2011	23,632
Sewer Note - OWDA - 2011 - #5768	20,243
Sewer Note - OWDA - 2008 - #4470	233,173
Durbin Street Culvert - OPWC - 2005 - #CP30Q	55,055
Cemetery Pavement - Cemetery Endowment - 2005	5,775
OPWC Streetscape - 2013	49,087
Mechanics Bank - 2014 Chevrolet Silverado	38,000
Mechanics Bank - 2013 Police Cruiser	21,752
OPWC Wastewater Treatment Plant Repair - #CP500	<u>25,106</u>
Total	<u>\$1,183,023</u>

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3, except for the following:
 - a. The Village's 2014 schedule excluded proceeds of \$762,174.
 - b. The Village's 2014 schedule excluded payments of \$67,266.
 - c. The Village's 2015 schedule excluded proceeds of \$1,309,639.
 - d. The Village's 2015 schedule excluded payments of \$37,950.
3. We obtained a summary of leases, bonded and note debt activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedules to General, Street Construction Maintenance and Repair, State Highway, Street Levy, Note Retirement, General Obligation Bond Retirement, Water and Sewer Operating fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions, except the on-behalf payments by OWDA related to the payoff of planning loans and principal cost adjustments.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Water and Sewer Operating funds per the Revenue Ledger Report. The amounts agreed, except for those noted on the Property Taxes, Intergovernmental and Other Confirmable Cash Receipts section of this report, #4 (2) and #4 (6) and the OWDA on-behalf proceeds related to the planning loans payoff and related construction loan proceeds, and those reported in this section at #2 (a).
5. For new debt issued during 2015 and 2014, we inspected the debt legislation, noting the Village must use the proceeds for the waterline and wastewater treatment plant upgrades. We scanned the Payment Register Detail Report and noted the Village used the proceeds for the waterline and wastewater treatment plant upgrades.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Employee Detail Adjustment Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report 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 were reasonable based on the employees' duties as documented in the employees' personnel files and 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, 2015 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 2015. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	December 30, 2015	December 24, 2015	\$1,868.37	\$1,868.37
State income taxes	January 15, 2016	December 24, 2015	\$744.18	\$744.18
Village income tax	January 31, 2016	December 24, 2015	\$410.72	\$410.72
School district income tax	January 15, 2016	December 24, 2015	\$267.86	\$267.86
OPERS retirement	February 1, 2016	December 24, 2015	\$7,008.77	\$7,008.77
OP&F retirement	January 31, 2016	December 24, 2015	\$4,095.01	\$4,095.01

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2015 and ten from the year ended 2014 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 Payment Register Detail Report 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 three 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.

Mayors Court Transactions

1. 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, except two instances representing partial payments of judgments, which are not exceptions.

2. From the cash book, we haphazardly selected one month from the year ended December 31, 2015 and one month from the year ended 2014 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 Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Street Construction, Maintenance & Repair fund and Sewer Operating fund for the years ended December 31, 2015 and 2014. The amounts agreed.
2. We scanned the appropriation measures adopted for 2015 and 2014 to determine whether, for the General, Street Construction, Maintenance & Repair fund and Sewer Operating 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.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2015 and 2014 for the following funds: General, Street Construction, Maintenance & Repair and Sewer Operating. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report, except for 2015 the Sewer Operating fund approved appropriations were \$2,500 less than on the Appropriation Status Report.
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 Construction, Maintenance & Repair fund and Sewer Operating fund for the years ended December 31, 2015 and 2014. 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, 2015 and 2014 for the General, Street Construction, Maintenance & Repair fund and Sewer Operating fund, as recorded in the Appropriation Status 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 Receipt Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2015 and 2014. 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 2015 and 2014 Interfund Transfer Listing Reports for evidence of interfund transfers exceeding \$5,000 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 Status Reports 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.
9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2015 and 2014 for negative cash fund balance. Ohio Rev. Code Section 5705.10(1) provides that money paid into a fund must be used for purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. We noted no funds having a negative cash fund balance.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2015 and 2014 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.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires villages to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Village filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions noted.
2. We inquired of the fiscal officer and/or scanned the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the fiscal officer obtained the training required by Ohio Rev. Code Section 507.12 and 733.81. The Fiscal Officer obtained the required training.

Additional Procedures – Mayor's Salaries and Benefits

1. Obtain personnel file for the Village Mayor and verify the following information is documented:
 - a. Start date: The Mayor started on January 1, 2008.
 - b. Terms of Office: January 1, 2008 - December 31, 2011 and January 1, 2012 - December 31, 2015
 - c. Approved evidence of initial salary benefits (contract, minutes, ordinances, resolutions, whichever is applicable): Ordinance 46-06 identifies the yearly compensation of the Mayor at \$24,000 effective January 1, 2008.
 - d. Approved evidence of any modifications to salary and benefits for each year from start date through December 31, 2015: No modifications noted.
2. Obtain UAN budgetary reports for each year from start date through December 31, 2015, verify that the Mayor's Salary and Benefits line were appropriated and agree to the approved appropriations. No exceptions noted, except for the following:
 - a. 2008 Appropriation Status Report for personal services was \$905.90 less than approved appropriations and the Appropriation Status Report for Other - Insurance Benefits was \$5,000 higher than approved appropriations.

- b. 2009 Appropriations Status Report for Mayor Salary was \$3,378.96 less than approved appropriations and the Appropriation Status Report for Medical/Hospitalization was \$2,900 less than approved appropriations.
 - c. 2010 Appropriation Status Report for Medical/Hospitalization was \$3,400 less than approved appropriations.
 - d. 2011 Appropriation Status Report for Medical/Hospitalization was \$382.10 more than approved appropriations.
 - e. 2013 Appropriation Status Report for Medical/Hospitalization was \$177.04 less than approved appropriations.
3. Compare approved Mayor's Salary and Benefits amounts to amounts paid per UAN reports. No exceptions noted, except for:
- a. 2008 expenditures in Personal Services were \$2,000 less than approved appropriations and Other Insurance Benefit expenditures were \$5,000 higher than approved appropriations.
 - b. 2009 expenditures in Salary - Mayor were \$3,424.65 less than approved appropriations and Medical/Hospitalization expenditures were \$2,900 less than approved appropriations.
 - c. 2010 expenditures in Salary - Mayor were \$923.08 less than approved appropriations and Medical/Hospitalization expenditures were \$3,400 less than approved appropriations.
 - d. 2011 expenditures in Medical/Hospitalization were \$382.10 more than approved appropriations.
 - e. 2013 expenditures in Medical/Hospitalization were \$177.04 less than appropriations.
 - f. 2015 expenditures in Salary - Mayor were \$959.92 less than approved appropriations and Medical/Hospitalization expenditures were \$12.48 less than approved appropriations.
4. Inquire of Village Fiscal Officer and review attorney invoices to determine if the Mayor's compensation was discussed with their legal counsel at any time from Mayor's start date through December 31, 2015.
- a. If yes, obtain legal opinions provided to the Village by their attorney regarding the Mayor's Salary and Benefits. An email from the Village's attorney indicates that past precedence of approval of appropriations for mayor's health insurance is an explicit act of approval.

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



Julian & Grube, Inc.
June 17, 2016



Dave Yost • Auditor of State

VILLAGE OF BELLVILLE

RICHLAND 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 25, 2016