

VILLAGE OF ANSONIA  
DARKE COUNTY  
AGREED-UPON PROCEDURES  
JANUARY 1, 2010 THROUGH DECEMBER 31, 2011



**Caudill & Associates, CPA**

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# Dave Yost • Auditor of State

Village Council  
Village of Ansonia  
P. O. Box 607  
202 North Main Street  
Ansonia, Ohio 45303

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Ansonia, Darke County, prepared by Caudill & Associates, CPAs, for the period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports 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 Ansonia 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 27, 2012

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VILLAGE OF ANSONIA  
DARKE COUNTY

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

Village of Ansonia  
Darke County  
202 North Main Street  
Ansonia, Ohio 45303

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Ansonia (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, 2011 and 2010, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management, the Mayor, and 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, 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 Position Report to the December 31, 2009 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, 2011 and 2010 fund cash balances reported in the Cash Position Report. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. 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.

6. We tested investments held at December 31, 2011 and December 31, 2010 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 2011 and one from 2010:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue Audit Trail Report. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper fund 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 Audit Trail Report to determine whether it included two real estate tax receipts for 2011 and 2010. We noted the Revenue Audit Trail Report 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 selected five receipts from the County Auditor's Vendor Listing Detail from 2011 and five from 2010.
  - a. We compared the amount from the above reports to the amount recorded in the Revenue Audit Trail 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.

#### **Income Tax Receipts**

1. We selected five income tax returns filed during 2011 and five from 2010.
  - a. We compared the payment amount recorded on the tax return to the amount recorded on the Income Tax Daily Receipt Report. The amounts agreed.
  - b. We compared the Income Tax Daily Receipt Report total from step a. to the amount recorded as income tax receipts in the Revenue Audit Trail Report for that date. The amounts agreed.
2. We determined whether the receipts were recorded in the year received. We found no exceptions.
3. We selected five income tax refunds from 2011 and five from 2010.
  - a. We compared the refund paid from the Income Tax Refund Listing to the refund amount requested in the tax return. The amounts agreed.
  - b. We noted each of the refunds was approved by Julie Kimmel, Finance Director.
  - c. We noted the refunds were paid from the General Fund, as is required.

**Water and Sewer Fund**

1. We haphazardly selected Ten Water and Sewer Fund collection cash receipts from the year ended December 31, 2011 and Ten Water and Sewer Fund collection cash receipts from the year ended 2010 recorded in the Final Receipts Report and determined whether the:
  - a. Receipt amount per the Final Receipts Report agreed to the amount recorded to the credit of the customer's account in the Customer Balance Report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Customer Balance Report for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the audit period. We found no exceptions.
  - c. Receipt was posted to the proper funds, and was recorded in the year received. We found no exceptions.
  
2. We read the Customer Balance Report.
  - a. We noted this report listed \$2,989 and \$3,646 of accounts receivable as of December 31, 2011 and 2010, respectively.
  - b. Of the total receivables reported in the preceding step, \$1,324 and \$396 were recorded as more than 90 days delinquent.
  
3. We read the Adjustment History Report.
  - a. We noted this report listed a total of \$6,802 and \$1,390 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 Finance Director approved each adjustment.

**Debt**

1. From the prior audit documentation, we noted the following bonds, notes and 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>
Ohio Public Works Commission	\$298,800
OWDA #3476	56,420
Various Purpose Bond, Series 2003	11,000
Osgood Bank, Land Acquisition	60,400
Greenville National Bank, Fire	19,300
Second National Bank, Land Acquisition	46,900
Peoples Bank	73,000
OWDA #4202	119,214
OWDA #4701	314,615
OWDA #4805	641,108
Peoples Bank Bond Series 2008	135,000

2. We inquired of management, and scanned the Revenue Audit Trail Report and Expense Audit Trail Report 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 bonded and note debt activity for 2011 and 2010 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the Expense Audit Trail Report. 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 Sewer Improvement WPCLF fund per the Revenue Audit Trail Report. The amounts agreed. The Village properly recorded the proceeds in a bond fund (i.e. capital projects fund) as required by Ohio Rev. Code Section 5705.09(E).
5. For new debt issued during 2010, we inspected the debt legislation, noting the Village must use the proceeds for Sewer Improvements. We scanned the Expense Audit Trail Report and noted the Village distributed funds to contractors for sewer improvements February, April and May of 2010.

**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 Payroll Register and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register 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 minute record and ordinances. 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, 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 31, 2012	December 29, 2011	\$2,550.86	\$2,550.86
State income taxes	January 15, 2012	December 22, 2011	\$484.15	\$484.15
OPERS retirement	January 30, 2012	December 29, 2011	\$3,392.73	\$3,392.73
OP&F retirement	January 31, 2012	December 29, 2011	\$1,436.53	\$1,436.53
Village of Ansonia Income Tax	January 15, 2012	December 22, 2011	\$510.13	\$510.13

### Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Check Report by Check 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 Check Report by Check 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 seven instances in 2010, and three instances in 2011, 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.

### 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 Audit Trail Report for the General, Fire and Sewer funds for the years ended December 31, 2011 and 2010. The amounts agreed.
2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the General, Fire and Sewer 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 Status Report for 2011 and 2010 for the following funds: General Fund, Fire Fund, and Sewer Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in 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, Fire and Sewer 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, Fire and Sewer 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 Revenue Audit Trail Report 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. 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 2011 and 2010 Revenue Audit Trail Reports and Appropriation Status Reports for evidence of interfund transfers 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.

#### **Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the Check Report By Check report 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 no purchases subject to the aforementioned bidding requirements.

2. We inquired of management and scanned the Expense Audit Trail Report 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.

#### ***Officials' Response***

In reference to the above: I, Julie Kimmel, Finance Director for the Village of Ansonia, only work in the office on a part time basis. This makes it difficult to do the purchase orders in advance of the actual purchase. All purchases must be verbally approved by the Village Administrator previous to the purchase and he is aware of the balance of each of the accounts so that there are no issues with payment of the purchase. The Village currently has a new system that will allow us to do blanket purchase orders. As soon as training on this system is complete we will attempt to rectify the above issue by using these.

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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.

*Caudill & Associates, CPA*

Caudill & Associates, CPA

June 15, 2012



# Dave Yost • Auditor of State

VILLAGE OF ANSONIA

DARKE 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 11, 2012