



**Mary Taylor, CPA**  
Auditor of State



VILLAGE OF THURSTON  
FAIRFIELD COUNTY

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

Village of Thurston  
Fairfield County  
2215 Main Street,  
Thurston, Ohio 43157

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Thurston, Fairfield 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, 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 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Fund Status Report 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 Fund Status Reports. 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, 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 statement. 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.

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**Cash (Continued)**

6. We tested investments held at December 31, 2009 and 2008 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 2009 and one from 2008:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. 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 Register Report 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 receipts.

We noted the Receipts Register Report included the proper number of tax settlement receipts for each year.

3. We selected five receipts from the State Distribution Transaction Lists (DTL) and five receipts from the County Auditor Detailed Expenditures Report (DER) from 2009 and five from each, the DTL and DER, from 2008.
  - a. We compared the amount from the DTL and DER to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
  - c. We will determine whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from Walnut Township to the Village during 2009 and 2008 for the fire contract with the Township.
  - a. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
  - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

**Over-The-Counter Cash Receipts**

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2009 and 10 over-the-counter cash receipts from the year ended 2008 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. Receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

### **Water and Sewer Funds**

1. We haphazardly selected 5 Water and Sewer bank deposits from the Receipt Register Report from the year ended December 31, 2009 and 5 Water and Sewer bank deposits from the year ended 2008 recorded in the Receipt Register Report and determined whether the:
  - a. Receipt amount per the Receipt Register Report agreed to the amount recorded on the batch for the water & sewer collections. The amounts agreed.
  - b. Receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

### **Debt**

1. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report 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. We noted no new debt issuances during 2008 or 2009.
2. We will obtain a summary of bonded and note debt activity for 2009 and 2008 and agree principal and interest payments from the related debt amortization schedules to the Fire and Water Debt Service Funds 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.

### **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 Employee Detail Adjustment Report and determine whether the following information in the employees' personnel files and/or minute 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, and
  - f. Any other deduction authorizations (deferred compensation, etc.).

We found no exceptions related to steps a.- f. above.

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, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. 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 file or minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.

**Payroll Cash Disbursements (Continued)**

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:

<b>Withholding</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Withheld</b>	<b>Amount Paid</b>
Federal Income Taxes	January 31, 2010	December 31, 2009	\$337	\$337
State Income Taxes	January 15, 2010	December 31, 2009	67	67
Local Income Taxes	January 15, 2010	December 31, 2009	68	68
OPERS Retirement (Withholding plus Employee Share)	January 30, 2010	December 31, 2009	297	297

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report 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 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 no exceptions.

**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 Revenue Status Report for the General, Fire, and Water Funds for the years ended December 31, 2009 and 2008. The amounts on the *Certificate* did not agree to amounts recorded in the accounting system, except for the Fire Fund for 2008. For 2008, the Revenue Status Report recorded budgeted (i.e., certified) resources for the General and Water Funds of \$62,204 and \$174,144. However, the final *Amended Official Certificate of Estimated Resources* reflected \$63,585 and \$173,867.

For 2009, the Revenue Status Report recorded budgeted resources for the General, Fire, and Water Funds of \$41,401, \$334,262, and \$221,852. However, the final *Amended Official Certificate of Estimated Resources* reflected \$38,867, \$334,160, and \$221,831.

The Fiscal Officer should periodically compare amounts recorded in the Revenue Status Report 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.

**Compliance – Budgetary (Continued)**

2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General, Fire, and Water 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 Status Report for 2009 and 2008 for the following funds; General, Fire, and Water Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report in the General and Water Funds for 2009 and in the Fire Fund for 2008. The Appropriation Status Report recorded budgeted appropriations for the Fire Fund of \$160,967 for 2009. However, the amounts on the appropriation resolutions reflected \$173,967.

For 2008, the Appropriation Status Report recorded budgeted appropriations for the General and Water Funds of \$62,204 and \$174,144. However, the amounts on the appropriation resolutions reflected \$63,585 and \$173,867.

The Fiscal Officer should periodically compare amounts recorded in the Appropriation Status Report to amounts recorded in the appropriation resolution to assure they agree. If the amounts do not agree, the Council may be using inaccurate information for budgeting and to monitor spending.

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, Fire, and Water Funds 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 (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, Fire, and Water Funds, 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, 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 Revenue Status Reports and Appropriation Status 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.

**Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the Payment Register Detail report 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 Payment Register Detail Report 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 will 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

August 12, 2010



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF THURSTON**

**FAIRFIELD 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  
AUGUST 26, 2010**