



OHIO AUDITOR OF STATE
KEITH FABER



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65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

BASIC AUDIT REPORT

Village of Lafayette
Allen County
PO Box 7184
225 E. Sugar Street
Lafayette, Ohio 45854

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Village of Lafayette, Allen County, (the Village) for the years ended December 31, 2023 and 2022.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2023 and 2022.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. We noted the Village did not file complete financial information for 2022. **Ohio Rev. Code § 117.38** requires entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. Any public office, that does not file its financial report at the time required by this section shall pay to the auditor of state twenty-five dollars for each day the report remains unfiled after the filing date; provided, that the penalty payments shall not exceed the sum of seven hundred fifty dollars. Possibly due to a lack of controls over the filing of financial information, the Village filed the 2022 financial information on February 16, 2023, however, this filing did not include all applicable information. The filing was corrected on May 25, 2023. Prior to completing the annual filing, the financial information file should be reviewed to ensure it includes both the financial statement and notes.
2. We noted the Village did not always state the allowable reason for entering executive sessions. **Ohio Rev. Code § 121.22(G)(8)(b)** states, in part, the motion and vote to hold that executive session shall state which one or more of the approved purposes listed in divisions (G)(1) to (G)(8) of this section are the purposes for which the executive session is to be held.

Possibly due to a lack of understanding of executive sessions, the Village Council entered executive sessions on February 10, 2022, March 10, 2022, and February 16, 2023 to discuss issues for the betterment of the Village; on June 9, 2022 to discuss employee wages, contractor's wages and issues that affect the betterment of the Village; and on July 7, 2022 to discuss Village employees and issues that affect the betterment of the Village; which are not approved purposes per the Revised Code Section referenced above. The improper use of an executive session could result in an injunction being issued, in which case the Village Council could be required to correct its actions, and be responsible for paying various court costs, fines and attorney fees.

Current Year Observations (Continued)

The Village Council should review the Ohio Sunshine Laws, specifically focusing on the Ohio Open Meetings Act referenced in Ohio Rev. Code § 121.22 to develop and implement procedures to ensure compliance.

3. We noted that approximately seventy nine percent of the wages of the Fiscal Officer and seventy percent of the wages of Village Council were charged to the sewer fund. Resolutions and/or Minutes were approved by Village Council to support the allocation of wages to the sewer fund. However, there was no evidence to show how this allocation was determined to be reasonable based on the actual time spent on sewer fund duties. The lack of evidence to support the allocations could result in the illegal disbursement of wages from the sewer fund and potential findings for adjustment. A policy and/or procedure for determining the actual allocation of wages to the sewer fund and to other funds should be approved by Village Council and then be periodically reviewed for accuracy based on records maintained on the actual time spent on sewer fund activities.

Current Status of Matters Reported in our Prior Engagement

The prior Agreed Upon Procedures (AUP) engagement for the years ended December 31, 2021 and 2020 reported the following matters: a variance on the 2020 bank to book reconciliation due to the timing of an automatic withdrawn debt payment; a receipt was recorded in the Street Construction Maintenance & Repair Fund instead of the General Fund; a summary of debt activity was not prepared; several employees had missing withholding information in their personnel files; there were three instances where the certification date was after the vendor invoice date and a records commission had not been established. We did not identify any of these matters during the current basic audit engagement.



Keith Faber
Auditor of State
Columbus, Ohio

August 23, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LAFAYETTE

ALLEN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/5/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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