



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF NEWCOMERSTOWN
TUSCARAWAS COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Newcomerstown
Tuscarawas County
124 West Church Street
P.O. Box 151
Newcomerstown, Ohio 43832

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of the Village of Newcomerstown, Tuscarawas County, Ohio (the Village), on the receipts, disbursements and balances recorded in the Village's cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Village. The Village is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village. 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 recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the YTD Fund Report to the December 31, 2017 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the YTD Fund Report to the December 31, 2018 balances in the Cash Summary by Fund. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 fund cash balances reported in the YTD Fund Report and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 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, 2019 bank reconciliation without exception.

Cash and Investments (Continued)

5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statement. 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. There were no exceptions.
6. We selected all three reconciling credits (such as deposits in transit) from the December 31, 2019 bank reconciliation:
 - a. We traced one credit to the subsequent January bank statement. The other two reconciling items were related to checks returned for non-sufficient funds and were agreed to the April 2016 and September 2019 bank statements and determined to be valid reconciling items. We found no exceptions.
 - b. We agreed one credit amount to the Mayor's court receipt book. The credit was recorded as a December receipt for the same amount recorded in the reconciliation. The reconciling items related to non-sufficient funds checks were carried forward on the next month's bank reconciliation.
7. We traced interbank account transfers occurring in December of 2019 and 2018 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
8. We inspected investments held at December 31, 2019 and December 31, 2018 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We noted no exceptions.

Property Taxes and Intergovernmental Cash Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Listing (DTL), and the County Auditor's AP Disbursements with Description Report for 2019 and a total of five from 2018:
 - a. We compared the amount from the above named reports to the amount recorded in the Detail Revenue Transactions Report. The amounts agreed.
 - b. We inspected the Detail Revenue Transactions Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Detail Revenue Transactions Report to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Detail Revenue Transactions Report to determine whether it included two real estate tax receipts for 2019 and 2018. The Detail Revenue Transactions Report included the proper number of tax receipts for each year.

Income Tax Receipts

1. For both 2019 and 2018, we obtained two month's Monthly Distribution Summary Reports submitted by the Regional Income Tax Agency (RITA), the agency responsible for collecting income taxes on behalf of the Village. We agreed the total gross income taxes for the month of March and August 2019 and April and September 2018 to the Village's Detail Revenue Transactions Report. The amounts agreed.
2. We compared the allocation of income tax receipts for the years ended December 31, 2019 and 2018 to the Village's funds according to the allocation requirements of Ordinance No.18-2000, Ordinance No. 09-2016, and the Village of Newcomerstown Admin. Code § 181.02. The allocation agreed with the percentages the Ordinances and Admin. Code require.

Water and Sewage Fund

1. We selected 10 Water and Sewage Fund collection cash receipts from the year ended December 31, 2019 and 10 Water and Sewage Fund collection cash receipts from the year ended 2018 recorded in the Daily Cash Receipts Journal and determined whether the:
 - a. Receipt amount per the Daily Cash Receipts Journal agreed to the amount recorded to the credit of the customer's account in the Customer History Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Customer History 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.
2. We observed the Aged Customer Delinquent Report.
 - a. This report listed \$14,040 and \$49,631 of accounts receivable as of December 31, 2019 and 2018, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$12,044 and \$14,924 were recorded as more than 90 days delinquent.
3. We observed the Daily Cash Receipts Journal Adjustment Report.
 - a. This report listed a total of \$35,624 and \$708,942 receipts adjustments for the years ended December 31, 2019 and 2018, respectively.
 - b. We selected five adjustments from 2019 and five adjustments from 2018, and observed that the Board of Public Affairs approved each adjustment except for one tested from 2019 for \$42 and three tested for 2018 totaling \$539. However, because we did not inspect all adjustments, our report provides no assurance regarding whether or not other similar errors occurred.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following bonds, loans, and lease were outstanding as of December 31, 2017. These amounts agreed to the Village's January 1, 2018 balances on the summary we used in procedure 3.

Debt (Continued)

Issue	Principal outstanding as of December 31, 2017:
General Obligation Bonds - Series 2017 Truck Acquisition bonds	\$38,446
OPWC State and Goodrich Street Improvement Loan	24,452
OPWC Canal Street Improvements	27,234
OPWC County Road 15 Pump Station Loan	21,375
OPWC Sewage Collection System Improvements Loan	179,103
OWDA Water Treatment Plant Loan	293,828
OWDA Wastewater Treatment Plant Improvements I Loan	512,786
OWDA Wastewater Treatment Plant Improvements II Loan	1,143,453
OWDA County Road 15 Pump Station Loan	472,922
Sewage Jet Truck Capital Lease	188,070

2. We inquired of management, and inspected the Detail Revenue Transactions Report and Detail Expense Transactions Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bonds, loans, and lease debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedules to the Permissive Motor Vehicle Fund, Street Levy Fund, Water R & I Fund, and Sewage R & I Fund payments reported in the Detail Expense Transactions Report. We also compared the date the debt service payments were due to the date the Village made the payments. The Village paid one debt payment late in 2019 by two days and two debt payments late both by two days in 2018. No other exceptions were noted.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Street Levy and Water Funds per the Detail Revenue Transaction Report. The amounts agreed.
5. For new debt issued during 2019 and 2018, we inspected the debt agreements, which stated the Village must use the proceeds for the completion of the 2017 Street Improvements and West Street Area Projects. We inspected the Detail Expense Transaction Report, Complete Check Register Report, and supporting invoices and observed the Village completed the 2017 Street Improvements Project in July 2018 and paid for ongoing work related to the West Street Area project in October of 2019.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Payroll Detail Check Register Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Detail Check Register Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.

Payroll Cash Disbursements (Continued)

- b. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files and/or minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.
- c. For any new employees selected in procedure 1 we inspected the employees' personnel file for the following information and compared it with the information used to compute gross and net pay related to this check:
 - i. Name.
 - ii. Authorized salary or pay rate and department and fund to which the check should be charged.
 - iii. Retirement system participation and payroll withholding, Federal, State & Local income tax withholding authorization and withholding.

We found no exceptions related to procedures i. – iii. above.

- 2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 to confirm 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 2019. We observed 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)	January 31, 2020	December 20, 2019	\$4,170	\$4,170
State income taxes	January 15, 2020	December 19, 2019	\$1,847	\$1,847
Village of Newcomerstown income tax	January 15, 2020	December 23, 2019	\$1,592	\$1,592
OPERS retirement	January 31, 2020	January 31, 2020 March 18, 2020	\$15,107	\$14,044 \$1,063
OP&F retirement	January 31, 2020	January 31, 2020	\$6,174	\$6,174

As stated above, the Village paid \$1,063 of the total OPERS amount due of \$15,107 46 days after the date due as required by Ohio Rev. Code §§ 145.47 and 145.48 by January 31, 2020. The Auditor of State will notify OPERS of this matter.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Detail Expense Transaction Report for the year ended December 31, 2019 and 10 from the year ended 2018 and determined whether:

- a. The disbursements were for a proper public purpose. There was one exception. One invoice from ACE Truck Equipment was improperly paid to Cross Truck Equipment in the amount of \$637. The Village also made payment to ACE Truck Equipment for the same amount at a later date when ACE re-invoiced the Village after not receiving payment. Therefore, the payment made to Cross Truck Equipment was made in error. The Village should compare the invoice to the check created prior to mailing to ensure that the payment is made to the proper vendor. After bringing this to management's attention, the Village obtained a refund from Cross Truck Equipment.
- 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 Detail Expense Transaction Report and to the names and amounts on the supporting invoices. Other than the exception noted in step "a" above, 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. Other than the exception noted in step "a" above, 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 § 5705.41(D). We found no exceptions.

Compliance – Budgetary

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018 for the General, Street Levy and Police Funds, as recorded in the YTD Fund Report. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the YTD Fund Report for the Cemetery Expendable Trust Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period.
3. We inspected the 2019 and 2018 Detail Revenue Transaction Reports and Detail Expense Transaction Reports for evidence of interfund transfers exceeding \$50,000 which Ohio Rev. Code §§ 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which § 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
4. We inspected the YTD Fund Report for the years ended December 31, 2019 and 2018 for negative cash fund balances. Ohio Rev. Code § 5705.10(l) provides that money paid into a fund must be used for the 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. There were no funds having negative cash fund balances.

Sunshine Law Compliance

1. We obtained and inspected the Village's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.

Sunshine Law Compliance (Continued)

2. We selected all two public records requests from the engagement period and inspected each request to determine the Village was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
3. We selected the one denied public records requests from the engagement period and inspected the request to determine the Village provided an explanation which included the legal authority to the requester as required by Ohio Rev. Code § 149.43(B)(3). We found no exceptions.
4. We inquired with the Village management and determined that the Village did not have any records requests with redactions during the engagement period.
5. We inquired whether the Village had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code §§ 149.43(B)(2) and 149.43(B)(3). We found no exceptions.
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inspected the Village's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
8. We observed that the Village's poster describing their Public Records Policy was displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
9. We inquired with Village management and determined that the Village did not have any applications for record disposal submitted to the Records Commission during the engagement period.
10. We inspected individual training certificates and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). Contrary to Ohio Rev. Code § 109.43(B), two council members with terms ending December 31, 2019 did not attend Public Records Training during their term of office. The Village officials should attend public records training or formally appoint a designee as documented in the minute records to attend on their behalf. This will help ensure that the Village is in compliance with the related requirement.
11. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting.
 - b. Filed – placed with similar documents in an organized manner.
 - c. Maintained - retained, at a minimum, for the engagement period.
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.

Sunshine Law Compliance (Continued)

13. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
- Executive sessions were only held at regular or special meetings.
 - The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
 - Formal governing board actions were adopted in open meetings.
- We found no exceptions.

Other Compliance

- Ohio Rev. Code § 117.38 requires villages to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Village filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2019 and 2018 in the Hinkle system. There were no exceptions.
- For all credit card accounts we obtained:
 - A list of all credit card account transactions.
 - We selected 1 credit card transaction from each account for testing. For selected transactions we inspected documentation to determine that:
 - Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
 - We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
 - No unpaid beginning balance was carried forward to the current billing cycle,
 - Ending statement balance was paid in full, and
 - Statement contained no interest or late fees.We found that the Village paid interest fees in the amount of \$15 on one credit card statement tested. However, because we did not inspect all credit card statements, our report provides no assurance regarding whether or not other similar errors occurred.

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*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Village of Newcomerstown
Tuscarawas County
Independent Accountants' Report on
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This report is to provide assistance in the evaluation of the Village's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large, stylized 'K' and 'F'.

Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2020

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NEWCOMERSTOWN

TUSCARAWAS 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 9/29/2020

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www.ohioauditor.gov