



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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

Village of Ohio City  
Van Wert County  
103 South Main Street  
Ohio City, Ohio 45874

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of the Village of Ohio City (the Village), on the receipts, disbursements and balances recorded in the Villages cash basis accounting records for the years ended December 31, 2020 and 2019 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, 2020 and 2019 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

1. We recalculated the December 31, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balances recorded in the Fund Cash Balance Statement – By Account # to the December 31, 2018 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances recorded in the Fund Cash Balance Statement – By Account # to the December 31, 2019 balances in the Fund Cash Balance Statement – By Account #. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 and 2019 fund cash balances reported in the Fund Cash Balance Statement – By Account # and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2020 bank account balances with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2020 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. There were no exceptions.

### Property Taxes and Intergovernmental 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 Appropriation History Report for 2020 and a total of five from 2019:
  - a. We compared the amount from the above named reports to the amount recorded in the Check Register Report – Pay Ins Only. The amounts agreed.
  - b. We inspected the Check Register Report – Pay Ins Only to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Check Register Report – Pay Ins Only 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 Check Register Report – Pay Ins Only to determine whether it included two real estate tax receipts plus advances for 2020 and 2019. The Check Register Report – Pay Ins Only included the proper number of tax receipts for each year.

### Income Tax Receipts

1. We selected five income tax returns filed during 2020 and five from 2019.
  - a. We compared the payment amount recorded on the tax return to the amount recorded on the History Report – Cash/Payment Detail Report. The amounts agreed.
  - b. We compared the cash register tape total from procedure a. to the amount recorded as income tax receipts in the Check Register Report – Pay Ins Only for that date. The amounts agreed.
2. We compared the date of the receipts to the date the receipts was posted in the Check Register Report – Pay Ins Only to determine whether the receipts were recorded in the year received. We found no exceptions.
3. We selected five income tax refunds from 2020 and five from 2019.
  - b. We compared the refund paid from Check Register Report – Checks Only to the refund amount requested in the tax return. The amounts agreed.
  - c. We observed the approval by the Fiscal Officer on each of the refunds. No exceptions were found.
  - d. We observed the refunds were paid from the General Fund as is required.

### Other Receipts

We selected 10 other receipts from the year ended December 31, 2020 and 10 other receipts from the year ended 2019 and:

- a. Agreed the receipt amount recorded in the Check Register Report – Pay Ins Only to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found four receipts for the sale of bulk stone and memory bricks in which the Village did not have a rate approved for. We recommend that the Village Council approve rates for the sale of bulk stone and memory bricks.
- c. Inspected the Check Register Report - Pay Ins Only to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

**Water, Sewer and Electric Fund**

1. We selected 10 Water, Sewer, and Electric Fund collection cash receipts from the year ended December 31, 2020 and 10 Water, Sewer, and Electric Fund collection cash receipts from the year ended 2019 recorded in the Check Register Report – Pay ins Only and determined whether the:
  - a. Receipt amount per the Check Register Report – Pay Ins only agreed to the amount recorded to the credit of the customer’s account in the Daily Cash Receipts Journal. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Daily Cash Receipts Journal 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. 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 noted that the Village did not maintain accounts receivable reports that would list delinquent amounts or accounts receivable for utilities from December 31, 2020 or December 31, 2019. The Village should print or have access to an accounts receivable report showing delinquent accounts at year end.
  
3. We observed the Temporary Manual Charge Journal.
  - a. This report listed a total of \$90,444 and \$98,552 non-cash receipts adjustments for the years ended December 31, 2020 and 2019, respectively.
  - b. We selected five non-cash adjustments from 2020 and five non-cash adjustments from 2019, and observed that the Village Administrator approved each adjustment except for adjustments made in 2019. The Village Administrator began approving adjustments in 2020. We recommend the Village Administrator continues to review and approve all adjustments.

**Debt**

1. From the prior audit documentation, we observed the following bonds and loans were outstanding as of December 31, 2018. These amounts agreed to the Villages January 1, 2019 balances on the summary we used in procedure 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2018:</b>
OPWC Commission Loan #CM29P	\$18,144
OPWC Commission Loan #CT37C	\$45,419
OPWC Commission Loan #CU06D	\$28,683
OPWC Commission Loan #CT59J	\$6,595
OPWC Commission Loan #CT60M	\$750,001
OPWC Commission Loan #CT41S	\$254,264
OWDA Loan #3635	\$98,335
OWDA Loan #4749	\$74,494
OWDA Loan #5171	\$597,160
OWDA Loan #5682	\$804,011
Department of Commerce Revolving Loan	\$9,500
Mortgage Revenue Bonds 2011	\$1,901,500
General Obligation Bonds 2019	\$245,085
<b>Total</b>	<b>\$4,833,191</b>

2. We inquired of management, and inspected the Check Register Report – Pay Ins Only and Check Register Report – Checks Only for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bond and loan debt activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedules to Storm Sewer, Sewer, Water Debt, and Fire fund payments reported in the Check Register Report – Checks Only. 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 selected one payroll check for five employees from 2020 and one payroll check for five employees from 2019 from the Payroll Summary Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the minute record. We found no exceptions.
  - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2020 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 2020. We observed 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 (and social security, for employees not enrolled in pension system)	January 31, 2021	December 31, 2020	\$2,961	\$2,961
State income taxes	January 15, 2021	December 30, 2020	\$498	\$498
Village of Ohio City Income Tax	January 30, 2021	December 30, 2020	\$476	\$476
OPERS retirement	January 30, 2021	January 15, 2021	\$3,450	\$3,450
Ohio School District Income Tax	January 31, 2021	December 30, 2020	\$187	\$187

**Non-Payroll Cash Disbursements**

- We selected 10 disbursements from the Check Register Report – Checks Only for the year ended December 31, 2020 and 10 from the year ended 2019 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 Register Report – Checks Only 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 two instances where disbursements requiring certification were not certified 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 inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

### **Compliance – Budgetary**

1. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2020 and 2019 for the General, Sewer and Fire fund, as recorded in the Expense Statement – By Account # report. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the 5 largest interfund transfers from 2020 and 2019 Check Register Report – Pay Ins Only and Check Register Report – Checks Only for compliance with Ohio Rev. Code Sections 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner.
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2020 and 2019 for negative cash fund balance. Ohio Rev. Code Section 5705.10(I) 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.
2. We inquired with Village management and determined that:
  - a. The Village did not have any completed public records requests during the engagement period.
  - b. The Village did not have any denied public records requests during the engagement period.
  - c. The Village did not have any public records requests with redactions during the engagement period.
3. 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.
4. 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). The Village did not maintain written evidence that the Public Records Policy was provided to the records custodian/manager.

5. We inquired with Village management and determined that the Village did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
6. 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.
7. 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.
8. We inspected email evidence 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). We found no exceptions.
9. 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.
10. 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.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
  - a. Executive sessions were only held at regular or special meetings.
  - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

#### **HB 481 / HB 614 Coronavirus Relief Fund (CRF) Compliance**

1. We inquired of management and those charged with governance and documented how the Village decided to spend their CRF allocations and how the Village evaluated and documented their compliance with the CARES Act three-prong test. We then selected five payroll, non-payroll, and subgrant/subloan transactions. and determined the Village:
  - a. Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
  - b. Maintained appropriate supporting documentation.We found no exceptions.
2. We inquired with management and inspected the Fund Cash Balance Statement – By Account # to determine the local government did not have an unencumbered balance of money to pay back to the county treasurer. We found no exceptions.



## Other Compliance

1. Ohio Rev. Code Section 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, 2020 and 2019 in the Hinkle system. There were no exceptions.
2. We inquired of the fiscal officer *and* inspected 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.
3. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list(s) of authorized users, and
  - a list of all credit card account transactions.
  - a. We inspected the established policy obtained above and determined it is:
    - i. in compliance with the HB 312 statutory requirements, and
    - ii. implemented by the entity.We found no exceptions.
  - b. We selected 1 credit card transaction from each account for testing. For selected transactions we inspected documentation to determine that:
    - i. Use was by an authorized user within the guidelines established in the policy, and
    - ii. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
  - c. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
    - i. No unpaid beginning balance was carried forward to the current billing cycle,
    - ii. Ending statement balance was paid in full, and
    - iii. Statement contained no interest or late fees.We found no exceptions.

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.

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, 2020 and 2019, 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, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio  
May 26, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF OHIO CITY**

**VAN WERT 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 6/15/2021**

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[www.ohioauditor.gov](http://www.ohioauditor.gov)