



Certified Public Accountants, A.C.

**VILLAGE OF PITSBURG
DARKE COUNTY
AGREED-UPON PROCEDURES
FOR THE YEARS ENDED DECEMBER 31, 2020-2019**

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KEITH FABER



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Village Council
Village of Pittsburg
P.O. Box 247
Pittsburg, Ohio 45358

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Pittsburg, Darke County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted this report 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 Pittsburg is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

July 12, 2021

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VILLAGE OF PITSBURG
DARKE COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

May 26, 2021

Village of Pittsburg
Darke County
P.O. Box 247
Pittsburg, Ohio 45358

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of the **Village of Pittsburg**, Darke County, Ohio (the Village) and the Auditor of State, 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 Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2018 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2019 balances in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. We found the General Fund balance in 2020 was overstated by \$104 when compared to the ending 2019 balance. This was the result of a check being voided in 2020. We found no other 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 Status Report and the financial statements filed by the Village in the Hinkle system. The amounts agreed.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants

• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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Cash (Continued)

4. We confirmed the December 31, 2020 bank account balance 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, Intergovernmental and Other Confirmable 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 Voucher Listing Report for 2020 and a total of five from 2019:
 - a. We compared the amounts from the above named reports to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We inspected the Revenue Ledger 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 Revenue Ledger 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 Revenue Ledger to determine whether it included two real estate tax receipts for 2020 and 2019. The Revenue Ledger included the proper number of tax receipts for each year.
3. We confirmed the amounts paid from Franklin Township and Monroe Township to the Village during 2020 and 2019 for fire protection services. We found no exceptions.
 - a. We inspected the Revenue Ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Ledger to determine 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 2020 and five from 2019.
 - i. We compared the payment amount recorded on the tax return to the amount recorded on the Payment Journal. The amounts agreed.
 - ii. We compared the Payment Journal total from procedure a. to the amount recorded as income tax receipts in the Revenue Ledger for that date. The amounts agreed.
2. We compared the date of the receipts to the date the receipts were posted in the Revenue Ledger to determine whether the receipts were recorded in the year received. We found no exceptions.
3. We selected all income tax refunds from 2020 and all from 2019.
 - a. We compared the refund paid from the Payment Export Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We observed the approval by the Fiscal Officer on each of the refunds. No exceptions were found.
 - c. We observed the refunds were paid from the General Fund as is required.

Sewer Fund

1. We selected 10 Sewer Fund collection cash receipts from the year ended December 31, 2020 and 10 Sewer Fund collection cash receipts from the year ended 2019 recorded in the Revenue Ledger and determined whether the:
 - a. Receipt amount per the Revenue Ledger agreed to the amount recorded to the credit of the customer's account in the Cash Receipts Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Update Journal 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 fund, and was recorded in the year received. We found no exceptions.
2. We observed the Delinquent Report and Delinquent Utility Accounts Report:
 - a. These reports listed \$7,898 and \$4,858 of accounts receivable as of December 31, 2020 and 2019, respectively.
 - b. Of the total receivables reported in the preceding procedure, we were unable to determine the amount of the receivables that were more than 90 days delinquent.
3. We observed the Detail Adjustment Analysis Report.
 - a. This report listed a total of \$5,322 and \$4,671 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 Council approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following notes 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. It was determined that the Farmers State Bank Loan's balance as of December 31, 2018 was incorrectly listed as \$79,828. We corrected this amount in the current period.

| Issue | Principal outstanding as of December 31, 2018: |
|-------------------------------|--|
| OWDA Loan 5273 | \$ 883,960 |
| OPWC Loan CT19L | \$ 135,000 |
| Farmers State Bank Loan 53609 | \$ 79,685 |

2. We inquired of management, and inspected the Revenue Ledger and Payment Export 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 notes debt activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedules to Sewer Fund and Fire Department Fund payments reported in the Payment Export. We found the Village understated Principal disbursements and overstated Interest disbursements in the Fire Department Fund by \$43 and \$132 in 2020 and 2019, respectively. This was the result of the Village paying the amounts listed on the Farmers State Bank invoices prior to their due date, when the interest amount listed on the said invoices was calculated using a per-day interest rate and based on the due date. In addition, we found that one late fee payment of \$17 in the Sewer Fund was incorrectly recorded as an Other disbursement rather than as an Interest and Other Fiscal Charges disbursement in 2019. We also compared the date the debt service payments were due to the date the Village made the payments. We found the Village's January payments to the Ohio Water Development Authority (OWDA) were late by two days and by three days in 2020 and 2019, respectively. As noted above, the Village paid \$17 in late fees concerning the 2019 late payment. We found no other 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 Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively approved rate or salary).
 - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.
 We found no exceptions.
 - 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. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

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:

| 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, 2021 | December 7, 2020 | \$ 621.51 | \$ 621.51 |
| State income taxes | January 31, 2021 | December 8, 2020 | \$ 62.54 | \$ 62.54 |
| Village of Pittsburg income tax | January 30, 2021 | December 4, 2020 | \$ 160.29 | \$ 160.29 |
| Arcanum-Butler LSD | January 30, 2021 | December 8, 2020 | \$ 4.46 | \$ 4.46 |
| Franklin Monroe LSD | January 30, 2021 | December 8, 2020 | \$ 42.42 | \$ 42.42 |
| Greenville LSD | January 30, 2021 | December 8, 2020 | \$ 15.00 | \$ 15.00 |
| OPERS retirement | January 30, 2021 | December 20, 2020 | \$ 285.60 | \$ 285.60 |

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Export 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 Payment Export 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. 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 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2020 and 2019 for the General, Street Construction Maintenance and Repair, and Storm Drain Funds, as recorded in the Appropriation Status Report. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the interfund transfers from 2020 and 2019 Revenue Status Reports and Appropriation Status Reports for compliance with Ohio Rev. Code Sections 5704.14-.16. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner.

Compliance – Budgetary (Continued)

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(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.
2. We selected all public records requests from the engagement period and inspected each request to determine the following:
 - a. We inquired with Village management and determined that 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). We found no exceptions.
5. 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.
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 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). We found no exceptions.

Sunshine Law Compliance (Continued)

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.

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. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list of authorized users, and
 - a list of all credit card account transactions.
 - a. We inspected the established policy obtained above and determine 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 transactions 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.

Other Compliance (Continued)

- 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.

Related Party Transactions

- 1. We inquired with management and identified the following Related Party Transactions:
 - a. Councilman Frank Diver's wife, Ladeana Diver, was paid \$60 per month for both 2019 and 2020 to clean the Village Hall.
We found no exceptions.
- 2. We confirmed the transactions with Ladeana Diver. We found no exceptions.
- 3. We obtained sufficient evidence for the Related Party Transactions noted in Procedure 1. 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF PITSBURG

DARKE 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 7/22/2021

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This report is a matter of public record and is available online at
www.ohioauditor.gov