



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF QUAKER CITY
GUERNSEY COUNTY

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GUERNSEY COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Quaker City
Guernsey County
P.O. Box 156
Quaker City, Ohio 43773

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Quaker City, Guernsey County, Ohio (the Village) as of and for the years ended December 31, 2019, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2019, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

Basis for Additional Opinion Qualifications

Charges for Services receipts in the Enterprise Funds are reported at \$349,680, \$359,910 and \$314,423 for the years ended December 31, 2019, 2018 and 2017, respectively, which are 100, 100 and 100 percent of total Enterprise Fund operating cash receipts for the years ended December 31, 2019, 2018 and 2017, respectively.

We were unable to obtain sufficient appropriate audit evidence supporting the aforementioned amounts recorded as Charges for Services receipts. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Additional Opinion Qualification

In our opinion, except for the possible effects of the matters described in the *Basis for Additional Opinion Qualifications* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Quaker City, Guernsey County, Ohio, as of December 31, 2019, 2018 and 2017, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 10 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

February 17, 2021

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Village of Quaker City, Ohio
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$25,394	\$11,721	\$0	\$0	\$37,115
Intergovernmental	50,695	31,882	1,894	0	84,471
Charges for Services	270	31,725	0	0	31,995
Earnings on Investments	299	44	0	0	343
Miscellaneous	20,179	1,686	0	0	21,865
<i>Total Cash Receipts</i>	<u>96,837</u>	<u>77,058</u>	<u>1,894</u>	<u>0</u>	<u>175,789</u>
Cash Disbursements					
Current:					
Security of Persons and Property	6,920	29,089	0	0	36,009
Public Health Services	3,107	0	0	0	3,107
Leisure Time Activities	5,703	0	0	0	5,703
Transportation	0	15,869	0	0	15,869
General Government	25,149	1,206	0	0	26,355
Capital Outlay	2,131	341	0	0	2,472
Debt Service:					
Principal Retirement	0	0	6,427	0	6,427
Interest and Fiscal Charges	0	0	1,030	0	1,030
<i>Total Cash Disbursements</i>	<u>43,010</u>	<u>46,505</u>	<u>7,457</u>	<u>0</u>	<u>96,972</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>53,827</u>	<u>30,553</u>	<u>(5,563)</u>	<u>0</u>	<u>78,817</u>
Other Financing Receipts (Disbursements)					
Transfers In	0	0	8,224	0	8,224
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>8,224</u>	<u>0</u>	<u>8,224</u>
<i>Net Change in Fund Cash Balances</i>	53,827	30,553	2,661	0	87,041
<i>Fund Cash Balances, January 1</i>	<u>267,090</u>	<u>51,691</u>	<u>3,512</u>	<u>35</u>	<u>322,328</u>
Fund Cash Balances, December 31					
Restricted	0	82,244	6,173	35	88,452
Assigned	320,917	0	0	0	320,917
<i>Fund Cash Balances, December 31</i>	<u>\$320,917</u>	<u>\$82,244</u>	<u>\$6,173</u>	<u>\$35</u>	<u>\$409,369</u>

See accompanying notes to the basic financial statements.

Village of Quaker City, Ohio
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2019

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$349,680
<i>Total Operating Cash Receipts</i>	<u>349,680</u>
Operating Cash Disbursements	
Personal Services	70,093
Fringe Benefits	9,900
Contractual Services	119,606
Supplies and Materials	<u>79,562</u>
<i>Total Operating Cash Disbursements</i>	<u>279,161</u>
<i>Operating Income</i>	<u>70,519</u>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	5,133
Intergovernmental	163,434
Capital Outlay	(133,977)
Principal Retirement	(35,372)
Interest and Other Fiscal Charges	(17,442)
Other Financing Sources	<u>500</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(17,724)</u>
<i>Income (Loss)</i>	52,795
Transfers In	43,110
Transfers Out	<u>(51,334)</u>
<i>Net Change in Fund Cash Balances</i>	44,571
<i>Fund Cash Balances, January 1</i>	<u>230,362</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$274,933</u></u>

See accompanying notes to the basic financial statements.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Village of Quaker City (the Village), Guernsey County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly – elected six member Council directs the Village. The Village provides water and sewer utilities, park operations, street maintenance, fire protection services and ambulance services. The Village contracts with the Guernsey County Sheriff’s department to provide security of persons and property. The Village appropriates general fund money to support a volunteer fire department.

The Village’s management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 –Summary of Significant Accounting Policies

Basis of Presentation

The Village’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report proceeds from specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance, and Repair Fund This fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance and repair of streets within the Village.

Fire Fund This fund is used to account for tax levy monies to provide fire protection through a volunteer fire department.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

City Truck Loan Fund This fund receives gasoline tax and motor vehicle license tax money to retire a loan with Peoples Bank for the purchase of a truck.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village's Capital Project Fund had no receipt or disbursement activity for the year ending December 31, 2019.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provisions of sanitary sewer services to the residents and commercial users within the Village.

Sewer Construction Account Fund The sewer construction account fund accounts for loan proceeds from the United States Department of Agriculture (USDA) and grant proceeds from the Appalachian Regional Commission (ARC) and the Community Development Block Grant (CDBG) restricted to the wastewater treatment plant project.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved). These statements include adequate disclosure of material matters as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D) permit.

Budgetary process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The county budget commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Deposits

The Village maintains interest bearing checking accounts and certificates of deposit. The Village values certificates of deposit at cost.

Capital Assets

The Village records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into two classifications based primarily on the extent to which the village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments: or imposed by law through constitutional provisions.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses by Village Council or a Village official delegated that authority by resolution, or by State Statute.

The Village applies restricted resources first when expenditures are incurred for purpose for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$104,210	\$96,837	(\$7,373)
Special Revenue	69,979	77,058	7,079
Debt Service	9,986	10,118	132
Enterprise	728,728	561,857	(166,871)
Total	\$912,903	\$745,870	(\$167,033)

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$302,763	\$43,010	\$259,753
Special Revenue	122,028	46,505	75,523
Debt Service	13,498	7,457	6,041
Capital Projects	35	0	35
Enterprise	933,716	517,286	416,430
Total	\$1,372,040	\$614,258	\$757,782

Note 4 – Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2019
Demand deposits	\$644,302
Certificates of deposit	40,000
Total deposits	\$684,302

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deductions amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. The second half payment is due the following June 20.

The county is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Note 6 - Risk management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions;
- Flood insurance;
- Bonding; and
- Public Officials Liability

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Village’s full-time employees and elected officials belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants gross salaries. The Village has paid all contributions required through December 31, 2019.

Social Security

The elected officials who are not members of OPERS contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Village contributed an amount equal to 6.2% of employee’s gross salaries. The Village has paid all contributions required through December 31, 2019.

Note 8 - Debt

Debt Outstanding at December 31, 2019 as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Citizens National Bank - Tractor Loan	\$2,758	2.89%
Sewer System Improvement Revenue Bonds, Series 2017	901,000	Varies
OPWC CT55F	43,980	0.00%
OPWC CT43C	1,379	0.00%
OPWC CT45S	483,333	0.00%
Peoples Bank - Truck Loan	25,030	3.56%
Total	<u>\$1,457,480</u>	

The Ohio Public Works Commission (OPWC) loans were used for a water improvement project and a water distribution project. All loans are collateralized by water receipts. The Village has agreed to set rates sufficient to cover OPWC debt service requirements.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

In 2016, the Village issued an installment loan in the amount of \$10,852 from Citizen’s National Bank to purchase a tractor. This loan will be paid in monthly installments of \$195 over 5 years with an interest rate of 2.89%.

In 2018, the Village issued a promissory note in the amount of \$34,065 from Peoples Bank to purchase a truck. This loan will be paid in monthly installments of \$621 over 5 years with an interest rate of 3.56%.

The Sewer System Improvement Revenue Bonds, Series 2017, in the amount of \$901,000 were for the construction of a new sewer plant. The Village has agreed to set utility rates sufficient to cover the bonds.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Tractor Loan	Sewer System Improvement Revenue Bonds	OPWC Loans	Truck Loan
2020	\$2,230	\$33,643	\$14,110	\$7,458
2021	584	33,729	25,463	7,457
2022		33,708	25,463	7,458
2023		33,782	25,463	4,350
2024		33,647	25,463	
2025-2029		168,606	87,733	
2030-2034		168,651	83,335	
2035-2039		168,548	83,335	
2040-2044		168,509	83,330	
2045-2049		168,622	74,997	
2050-2054		168,477		
2055-2057		101,196		
Total	\$2,814	\$1,281,118	\$528,692	\$26,723

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by grantor, principally the federal government. The grantor may require funding and disallowed costs. Management cannot presently determine amounts grantors may disallow. However based on prior experience, management believes any funds would be immaterial.

Note 10 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The Village’s investments of the pension and other employee benefit plan in which the Village participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Village of Quaker City, Ohio
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$26,377	\$14,374	\$0	\$0	\$40,751
Intergovernmental	18,495	23,815	1,939	0	44,249
Charges for Services	360	27,842	0	0	28,202
Earnings on Investments	249	34	0	0	283
Miscellaneous	60,283	686	0	0	60,969
<i>Total Cash Receipts</i>	<u>105,764</u>	<u>66,751</u>	<u>1,939</u>	<u>0</u>	<u>174,454</u>
Cash Disbursements					
Current:					
Security of Persons and Property	7,026	43,106	0	0	50,132
Public Health Services	5,878	0	0	0	5,878
Leisure Time Activities	9,987	0	0	0	9,987
Transportation	0	16,454	0	0	16,454
General Government	23,566	0	0	0	23,566
Capital Outlay	63,437	21,767	623	0	85,827
Debt Service:					
Principal Retirement	0	0	2,079	0	2,079
Interest and Fiscal Charges	0	0	406	0	406
<i>Total Cash Disbursements</i>	<u>109,894</u>	<u>81,327</u>	<u>3,108</u>	<u>0</u>	<u>194,329</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,130)</u>	<u>(14,576)</u>	<u>(1,169)</u>	<u>0</u>	<u>(19,875)</u>
Other Financing Receipts (Disbursements)					
Loans Issued	0	13,520	0	0	13,520
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>13,520</u>	<u>0</u>	<u>0</u>	<u>13,520</u>
<i>Net Change in Fund Cash Balances</i>	<u>(4,130)</u>	<u>(1,056)</u>	<u>(1,169)</u>	<u>0</u>	<u>(6,355)</u>
<i>Fund Cash Balances, January 1</i>	<u>271,220</u>	<u>52,747</u>	<u>4,681</u>	<u>35</u>	<u>328,683</u>
Fund Cash Balances, December 31					
Restricted	0	51,691	3,512	35	55,238
Assigned	238,552	0	0	0	238,552
Unassigned (Deficit)	28,538	0	0	0	28,538
<i>Fund Cash Balances, December 31</i>	<u>\$267,090</u>	<u>\$51,691</u>	<u>\$3,512</u>	<u>\$35</u>	<u>\$322,328</u>

See accompanying notes to the basic financial statements.

Village of Quaker City, Ohio
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2018

	Proprietary Fund Type
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$359,910
<i>Total Operating Cash Receipts</i>	<u>359,910</u>
Operating Cash Disbursements	
Personal Services	46,376
Fringe Benefits	6,669
Contractual Services	123,390
Supplies and Materials	111,567
Other	2,756
<i>Total Operating Cash Disbursements</i>	<u>290,758</u>
<i>Operating Income</i>	<u>69,152</u>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	5,116
Intergovernmental	1,766,320
Loans Issued	700,567
Miscellaneous Receipts	499
Capital Outlay	(2,608,558)
Principal Retirement	(19,712)
Interest and Other Fiscal Charges	(1,583)
Other Financing Sources	26,964
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(130,387)</u>
<i>Income (Loss)</i>	(61,235)
Transfers In	16,270
Transfers Out	(16,270)
<i>Net Change in Fund Cash Balances</i>	(61,235)
<i>Fund Cash Balances, January 1</i>	<u>291,597</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$230,362</u></u>

See accompanying notes to the basic financial statements.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Village of Quaker City, Guernsey County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly – elected six member Council directs the Village. The Village provides water and sewer utilities, park operations, street maintenance, fire protection services and ambulance services. The Village contracts with the Guernsey County Sheriff's department to provide security of persons and property. The Village appropriates general fund money to support a volunteer fire department.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 –Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report proceeds from specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance, and Repair Fund This fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance and repair of streets within the Village.

Fire Fund This fund is used to account for tax levy monies to provide fire protection through a volunteer fire department.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Other Debt Service Fund This fund receives gasoline tax and motor vehicle license tax money to retire a loan with Peoples Bank for the purchase of a truck.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village's Capital Project Fund had no receipt or disbursement activity for the year ending December 31, 2018.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provisions of sanitary sewer services to the residents and commercial users within the Village.

Sewer Construction Account Fund The sewer construction account fund accounts for loan proceeds from the United States Department of Agriculture (USDA) and grant proceeds from the Appalachian Regional Commission (ARC) and the Community Development Block Grant (CDBG) restricted to the wastewater treatment plant project.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved). These statements include adequate disclosure of material matters as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D) permit.

Budgetary process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The county budget commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 4.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Deposits

The Village maintains interest bearing checking accounts and certificates of deposit. The Village values certificates of deposit at cost.

Capital Assets

The Village records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into three classifications based primarily on the extent to which the village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments: or imposed by law through constitutional provisions.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purpose for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, appropriations exceeded the amount certified as available by the budget commission in the City Truck Debt Service Fund by \$36,907 for the year ended December 31, 2018.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$69,755	\$105,764	\$36,009
Special Revenue	57,366	80,271	22,905
Debt Service	1,300	1,939	639
Enterprise	2,592,710	2,875,646	282,936
Total	\$2,721,131	\$3,063,620	\$342,489

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$341,804	\$109,894	\$231,910
Special Revenue	110,383	81,327	29,056
Debt Service	42,887	3,108	39,779
Capital Projects	35	0	35
Enterprise	2,888,875	2,936,881	(48,006)
Total	\$3,383,984	\$3,131,210	\$252,774

Note 5 – Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2018
Demand deposits	\$512,690
Certificates of deposit	40,000
Total deposits	\$552,690

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deductions amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. The second half payment is due the following June 20.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

The county is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Note 7 - Risk management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions;
- Flood insurance;
- Bonding; and
- Public Officials Liability

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Village's full-time employees and elected officials belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants gross salaries. The Village has paid all contributions required through December 31, 2018.

Social Security

The elected officials who are not members of OPERS contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Village contributed an amount equal to 6.2% of employee's gross salaries. The Village has paid all contributions required through December 31, 2018.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 9 - Debt

Debt Outstanding at December 31, 2018 as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Citizens National Bank - Tractor Loan	\$5,078	2.89%
Sewer System Improvement Revenue Bonds, Series 2017	901,000	Varies
OPWC CT55F	57,174	0.00%
OPWC CT43C	6,890	0.00%
OPWC CT45S	500,000	0.00%
Peoples Bank - Truck Loan	31,458	3.56%
Total	<u>\$1,501,600</u>	

The Ohio Public Works Commission (OPWC) loans were used for a water improvement project and a water distribution project. All loans are collateralized by water receipts. The Village has agreed to set rates sufficient to cover OPWC debt service requirements.

In 2016, the Village issued an installment loan in the amount of \$10,852 from Citizen's National Bank to purchase a tractor. This loan will be paid in monthly installments of \$195 over 5 years with an interest rate of 2.89%.

In 2018, the Village issued a promissory note in the amount of \$34,065 from Peoples Bank to purchase a truck. This loan will be paid in monthly installments of \$621 over 5 years with an interest rate of 3.56%.

The Sewer System Improvement Revenue Bonds, Series 2017, in the amount of \$901,000 were for the construction of a new sewer plant. The Village has agreed to set utility rates sufficient to cover the bonds.

Amortization

Amortization of the above debt, including interest, in scheduled as follows:

Year Ending December 31:	Tractor Loan	Sewer System Improvement Revenue Bonds	OPWC Loans	Truck Loan
2019	\$2,334	\$17,443	\$18,507	\$7,458
2020	2,334	33,643	26,841	7,457
2021	584	33,729	28,219	7,457
2022		33,708	26,841	7,458
2023		33,782	25,463	4,350
2024-2028		168,572	96,529	
2029-2033		168,494	83,335	
2034-2038		168,588	83,335	
2039-2043		168,565	83,331	
2044-2048		168,617	83,330	
2049-2053		168,532	8,333	
2054-2057		134,888		
Total	<u>\$5,252</u>	<u>\$1,298,561</u>	<u>\$564,064</u>	<u>\$34,180</u>

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by grantor, principally the federal government. The grantor may require funding and disallowed costs. Management cannot presently determine amounts grantors may disallow. However based on prior experience, management believes any funds would be immaterial.

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VILLAGE OF QUAKER CITY
GUERNSEY COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Direct Program</i>			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	<u>\$1,246,949</u>
Total U.S. Department of Agriculture			1,246,949
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Development Services Agency</i>			
Community Development Block Grants/State's Program	14.228	C-W-16-2IG-1	<u>101,662</u>
Total U.S. Department of Housing and Urban Development			101,662
APPALACHIAN REGIONAL COMMISSION			
<i>Passed through by U.S. Department of Agriculture</i>			
Appalachian Area Development	23.002	N/A	<u>250,000</u>
Total Appalachian Regional Commission			<u>250,000</u>
Total Expenditures of Federal Awards			<u><u>\$1,598,611</u></u>

The accompanying notes are an integral part of this Schedule.

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of Quaker City (the Village's) under programs of the federal government for the year ended 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the cash fund balance or change in fund balance of the Village.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Village has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Village of Quaker City, Ohio
Guernsey County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2017

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$21,345	\$7,984	\$5,016	\$0	\$34,345
Intergovernmental	20,348	20,311	1,507	0	42,166
Charges for Services	225	29,514	1,407	0	31,146
Earnings on Investments	299	45	0	0	344
Miscellaneous	30,273	6,185	0	0	36,458
<i>Total Cash Receipts</i>	<u>72,490</u>	<u>64,039</u>	<u>7,930</u>	<u>0</u>	<u>144,459</u>
Cash Disbursements					
Current:					
Security of Persons and Property	8,947	57,391	0	0	66,338
Public Health Services	1,983	0	0	0	1,983
Leisure Time Activities	4,180	0	0	0	4,180
Transportation	0	15,672	0	0	15,672
General Government	23,247	4,288	0	0	27,535
Capital Outlay	12,126	6,850	0	0	18,976
Debt Service:					
Principal Retirement	0	0	14,290	0	14,290
Interest and Fiscal Charges	0	0	621	0	621
<i>Total Cash Disbursements</i>	<u>50,483</u>	<u>84,201</u>	<u>14,911</u>	<u>0</u>	<u>149,595</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>22,007</u>	<u>(20,162)</u>	<u>(6,981)</u>	<u>0</u>	<u>(5,136)</u>
Other Financing Receipts (Disbursements)					
Loans Issued	160,014	0	0	0	160,014
Transfers In	0	0	421	0	421
<i>Total Other Financing Receipts (Disbursements)</i>	<u>160,014</u>	<u>0</u>	<u>421</u>	<u>0</u>	<u>160,435</u>
<i>Net Change in Fund Cash Balances</i>	182,021	(20,162)	(6,560)	0	155,299
<i>Fund Cash Balances, January 1</i>	<u>89,199</u>	<u>72,909</u>	<u>11,241</u>	<u>35</u>	<u>173,384</u>
Fund Cash Balances, December 31					
Restricted	0	52,747	4,681	35	57,463
Assigned	271,220	0	0	0	271,220
<i>Fund Cash Balances, December 31</i>	<u>\$271,220</u>	<u>\$52,747</u>	<u>\$4,681</u>	<u>\$35</u>	<u>\$328,683</u>

See accompanying notes to the basic financial statements.

Village of Quaker City, Ohio
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2017

	Proprietary Fund Type
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$314,423
<i>Total Operating Cash Receipts</i>	<u>314,423</u>
Operating Cash Disbursements	
Personal Services	50,695
Fringe Benefits	12,629
Contractual Services	105,481
Supplies and Materials	<u>112,273</u>
<i>Total Operating Cash Disbursements</i>	<u>281,078</u>
<i>Operating Income</i>	<u>33,345</u>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	4,570
Intergovernmental	495,447
Loans Issued	581,779
Miscellaneous Receipts	200
Capital Outlay	(573,790)
Principal Retirement	(390,408)
Other Financing Sources	<u>9,283</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>127,081</u>
<i>Income (Loss)</i>	160,426
Transfers In	16,917
Transfers Out	<u>(17,338)</u>
<i>Net Change in Fund Cash Balances</i>	160,005
<i>Fund Cash Balances, January 1</i>	<u>131,592</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$291,597</u></u>

See accompanying notes to the basic financial statements.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity

The Village of Quaker City, Guernsey County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly – elected six member Council directs the Village. The Village provides water and sewer utilities, park operations, street maintenance, fire protection services and ambulance services. The Village contracts with the Guernsey County Sheriff's department to provide security of persons and property. The Village appropriates general fund money to support a volunteer fire department.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 –Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

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Special Revenue Funds These funds account for and report proceeds from specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance, and Repair Fund This fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance and repair of streets within the Village.

Fire Fund This fund is used to account for tax levy monies to provide fire protection through a volunteer fire department.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

Fire Truck Loan Fund This fund receives tax levy monies to retire the fire truck general obligation bonds.

Other Debt Service Fund This fund receives gasoline tax and motor vehicle license tax money as well as sewer and water revenues to retire a loan with Peoples Bank for the purchase of a backhoe.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village's Capital Project Fund had no receipt or disbursement activity for the year ending December 31, 2017.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provisions of sanitary sewer services to the residents and commercial users within the Village.

Sewer Construction Account Fund The sewer construction account fund accounts for loan proceeds from the United States Department of Agriculture (USDA) and grant proceeds from the Community Development Block Grant (CDBG) restricted to the wastewater treatment plant project.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved). These statements include adequate disclosure of material matters as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (D) permit.

Budgetary process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The county budget commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2017 budgetary activity appears in Note 4.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Deposits

The Village maintains interest bearing checking accounts.

Capital Assets

The Village records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into two classifications based primarily on the extent to which the village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses by Village Council or a Village official delegated that authority by resolution, or by State Statute.

The Village applies restricted resources first when expenditures are incurred for purpose for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, appropriations exceeded the amount certified as available by the budget commission in the Village Sewer Operating Enterprise Fund by \$3,871,907 for the year ended December 31, 2017.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 4 – Budgetary Activity

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$94,133	\$232,504	\$138,371
Special Revenue	51,447	64,039	12,592
Debt Service	8,090	8,351	261
Enterprise	4,347,439	1,422,619	(2,924,820)
Total	\$4,501,109	\$1,727,513	(\$2,773,596)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$183,328	\$50,483	\$132,845
Special Revenue	124,356	84,201	40,155
Debt Service	18,345	14,911	3,434
Capital Projects	35	0	35
Enterprise	4,590,487	1,262,614	3,327,873
Total	\$4,916,551	\$1,412,209	\$3,504,342

Note 5 – Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

Demand deposits	2017 \$620,280
-----------------	-------------------

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deductions amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. The second half payment is due the following June 20.

The county is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 7 - Risk management

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions;
- Flood insurance;
- Bonding; and
- Public Officials Liability

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Village's full-time employees and elected officials belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants gross salaries. The Village has paid all contributions required through December 31, 2017.

Social Security

The elected officials who are not members of OPERS contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Village contributed an amount equal to 6.2% of employee's gross salaries. The Village has paid all contributions required through December 31, 2017.

Note 9 - Debt

Debt Outstanding at December 31, 2017 as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Citizens National Bank - Tractor Loan	\$7,231	2.89%
Sewer System Improvement Revenue Bonds, Series 2017	720,713	Varies
OPWC CT55F	65,971	0.00%
OPWC CT43C	9,646	0.00%
Total	<u><u>\$793,915</u></u>	

Village of Quaker City, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

The Ohio Public Works Commission (OPWC) loans were used for a water improvement project and a water distribution project. All loans are collateralized by water receipts. The Village has agreed to set rates sufficient to cover OPWC debt service requirements.

In 2016, the Village issued an installment loan in the amount of \$10,852 from Citizen’s National Bank to purchase a tractor. This loan will be paid in monthly installments of \$195 over 5 years with an interest rate of 2.89%.

The Village began construction of a new sewer plant with an estimated total cost of over 4 million in 2017. The Village issued Sewer Improvement Revenue Bonds, Series 2017, for \$670,000 and \$231,000. During August 2017, the Village received USDA loan and grant funding and repaid the outstanding OWDA loans. The loan amount of \$720,713 is not included in the amortization schedule below due to monies still being drawn down on this loan.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Tractor Loan	OPWC Loans
2018	\$2,334	\$10,174
2019	2,334	11,552
2020	2,334	10,174
2021	584	11,552
2022		10,174
2023-2025		21,990
Total	\$7,586	\$75,616

Note 10 – Related Party Transactions

A Village Council member is part owner of a company from which the Village acquired hardware supplies during the year.

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by grantor, principally the federal government. The grantor may require funding and disallowed costs. Management cannot presently determine amounts grantors may disallow. However based on prior experience, management believes any funds would be immaterial.

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Quaker City
Guernsey County
P.O. Box 156
Quaker City, Ohio 43773

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Quaker City, Guernsey County, Ohio (the Village), as of and for the years ended December 31, 2019, 2018, and 2017, and the related notes to the financial statements, and have issued our report thereon dated February 17, 2021, wherein the Village followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. We qualified our opinion on the Enterprise Fund Charge for Service receipts because we were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as Charges for Services in the Enterprise Funds in the amounts of \$349,680, \$359,910 and \$314,423 for the years ended December 31, 2019, 2018 and 2017, respectively. Also, we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2019-001 through 2019-007 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2019-006 and 2019-007.

Response to Findings

The Village's responses to the Findings identified in our audit are described in the accompanying schedule of findings. We did not subject the Village's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

February 17, 2021

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Village of Quaker City
Guernsey County
P.O. Box 156
Quaker City, Ohio 43773

To the Village Council:

Report on Compliance for the Major Federal Program

We have audited the Village of Quaker City's, Guernsey County, Ohio (the Village), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Village's major federal program for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the Village's major federal program.

Management's Responsibility

The Village's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Village's compliance for the Village's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Village's major program. However, our audit does not provide a legal determination of the Village's compliance.

Opinion on the Major Federal Program

In our opinion, the Village of Quaker City complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which Uniform Guidance requires us to report, described in the accompanying Schedule of Findings as item 2019-008. Our opinion on the major federal program is not modified with respect to this matter.

The Village's response to our noncompliance finding is described in the accompanying Schedule of Findings and Corrective Action Plan. We did not subject the Village's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

The Village's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Village's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Village's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected or corrected. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2019-008.

The Village's response to our internal control over compliance finding is described in the accompanying Schedule of Findings and Corrective Action Plan. We did not subject the Village's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Village of Quaker City
Guernsey County
Independent Auditor's Report on Compliance with Requirements Applicable
to the Major Federal Program and on Internal Control Over Compliance Required
by the Uniform Guidance
Page 2

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

February 17, 2021

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**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Qualified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
<i>(d)(1)(vii)</i>	Major Program (list): <ul style="list-style-type: none"> • CFDA #10.760 Water and Waste Systems for Rural Communities 	
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2019-001

Material Weakness

Management is responsible for designing and implementing internal control policies and procedures to reasonably ensure specific financial objectives will be achieved. A sound internal control structure requires documented procedures to provide management with reasonable assurance that recorded transactions occurred and are not fictitious. In addition, a well-designed system of internal control will include monitoring of financial reports and information by management in order to compensate for any lack of segregation of duties. This should include the approval of all adjustments posted to the utility billing system and review of utility reports by management for the posting of unauthorized adjustments.

The Village was unable to provide sufficient appropriate audit evidence supporting amounts recorded for Charges for Services receipts for the Village's Water and Sewer Enterprise Fund. Our testing of the Village's utility system noted the following deficiencies:

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-001 (Continued)

Material Weakness (Continued)

- We noted the Village did not maintain utility billing reports for all months in the audit period.
- We noted the Village did not maintain customer account history reports for all months in the audit period.
- We noted no documentation of adjustments to customer accounts being approved by Board of Public Affairs/Village Administrator.
- We recalculated water billings and determined that in 2017 88% (23 of 26), in 2018 77% (30 of 39) and in 2019 72% (31 of 43) of customer billings did not agree to the legislatively-approved rates.
- No internal controls were in place over the utility billing clerk's ability to change billing rates, gallons used or adjustment to customer accounts.

As a result of these deficiencies, completeness over Charges for Service receipts in the Water and Sewer Operating funds for 2019, 2018 and 2017 could not be reasonably assured. This caused us to modify our opinion over the Village's financial statements related to utility receipts.

Failure to maintain sufficient appropriate audit evidence to ensure the completeness of receipts could result in errors or irregularities to occur and remain undetected. With limited oversight of the utility billing and collection process by management could result in fictitious adjustments being made to the system and remaining undetected.

The Village should develop and implement a formal policy regarding utility adjustments made to customer accounts. The policy should require all adjustments to be approved by the Board of Public Affairs/Village Administrator prior to being posted to the billing system. In addition, the policy should require the Board of Public Affairs/Village Administrator to review billing reports on a periodic basis for evidence of unauthorized adjustments or improperly calculated utility bills. These reviews should be documented on the appropriate reports and maintained on file as evidence that this review has been performed. Furthermore, the Village should reconcile daily deposits to transactions reports from the utility system to document that all monies collected have been deposited. These reconciliations of daily deposits should be periodically reviewed for discrepancies by someone other than the person who posts transactions to the utility system and reconciles the deposit.

FINDING NUMBER 2019-002

Material Weakness

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection. The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Village Council is responsible for reviewing the reconciliations and related support.

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-002 (Continued)

Material Weakness (Continued)

Monthly bank to book reconciliations were prepared and reviewed each month of the audit period January 1, 2017 through December 31, 2019. Each monthly reconciliation contained "Other Adjusting Factors" that could not be supported with available documentation. Failure to properly reconcile monthly increases the possibility that the Village will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

Some of the more significant issues we encountered during the review of the bank reconciliations were:

- The outstanding checklist was not complete or accurate. The outstanding checklist contained non-valid checks as outstanding, outstanding checks on the checklist that cleared the bank and were not cleared from the outstanding checklist, and over fifteen outstanding checks on the checklist that were five years old.
- ACH payments for Ohio Public Employees Retirement System were not consistently booked at the correct amount that cleared the bank or payments were booked to the UAN accounting system but never cleared the bank.
- An inordinate number of checks were voided and re-written.
- Local bank collections of utility payments by customers were not booked timely in UAN system.
- "Other Adjusting Factors" used as reconciling item but no documentation to support amount. The "Other Adjusting Factor" to Book amount ranged in 2017 from (\$322.00) to (\$5,058.31), in 2018 from \$14,937.67 to (\$2,131.45) and in 2019 from (\$1,514.45) to (\$9,127.89).
- Village Council approved the bank reconciliations at each monthly board meeting but never questioned any of the reconciling items or support for the reconciling items.
- In April 2018, the Village purchased \$40,000 of Certificates of Deposits with LPL Financial from the General Fund. The certificates of deposit were expensed off the books were not carried on the bank reconciliation as part of the General Fund or Depository Balances.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. Any reconciling item that is part of the monthly bank reconciliation should have documentation to support the reconciling item that is part of the monthly bank reconciliation. In addition, the Village Council should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

FINDING NUMBER 2019-003

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-003 (Continued)

Material Weakness (Continued)

The Ohio Village Handbook (revised March 2018) provides suggested account classifications. These accounts classify receipts by fund and source (property taxes or intergovernmental revenue, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications and the aforementioned accounting records will provide the Village with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

The Fiscal Officer posted certain revenue and expenditure transactions incorrectly resulting in material audit adjustments.

Also, the Village did not properly classify its December 31, 2019, 2018 and 2017 governmental fund cash balances in accordance with Governmental Accounting Standards Board (GASB) *Statement Number 54 - Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010.

As a result of audit procedures performed, misclassifications were noted in the Village's financial statements for 2019 as follows:

- Homestead and rollback receipts in the amounts of \$2,343, \$236, and \$536 were posted to Taxes instead of Intergovernmental in the General, Street Construction, Maintenance and Repair, and Other Special Revenue funds, respectively;
- 34% District Registration receipts in the amount of \$5,788 were posted to Taxes instead of Intergovernmental in the Street Construction, Maintenance and Repair Fund;
- Gasoline Excise Tax receipts in the amount of \$1,893 were posted to Charges for Services instead of Intergovernmental in the City Truck Fund;
- Ohio Department of Natural Resources grant receipt in the amount of \$29,367 was posted to Miscellaneous Revenue instead of Intergovernmental in the General Fund;
- USDA grant receipts in the amount of \$133,078 were posted to Other Financing Sources instead of Intergovernmental in the Sewer Construction Account Fund. Of that amount, \$132,978 was posted to Interest and Fiscal Charges instead of Capital Outlay in the Sewer Construction Account Fund;
- OPWC grant receipt in the amount of \$29,942 were posted to Other Financing Sources instead of Intergovernmental in the Sewer Construction Account Fund;
- Tractor debt payments of \$580 was posted to Public Health Services in the General Fund, \$580 was posted to Leisure Time Activities in the General Fund, \$580 was posted to Basic Utility Services in the Village Water Operating Fund and \$580 was posted to Basic Utility Services in the Village Sewer Operating Fund instead of Principal in the respective funds;
- Tractor debt payments of \$30 was posted to Public Health Services in the General Fund, \$30 was posted to Leisure Time Activities in the General Fund, \$30 was posted to Basic Utility Services in the Village Water Operating Fund and \$30 was posted to Basic Utility Services in the Village Sewer Operating Fund instead of posting the debt payments to Interest and Fiscal Charges in the respective funds;

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-003 (Continued)

Material Weakness (Continued)

- Debt payments for Ohio Public Works Commission (OPWC) loan #CT43C in the amount of \$5,511 were posted to Basic Utility Services instead of Principal in the Salesville Water Loan Fund;
- Debt payments in the amount of \$13,400 and \$4,043 were posted to Principal instead of Interest and Fiscal Charges in the OWDA Sewer Plant Design Loan Fund and OWDA Loan #2 Fund, respectively; and
- Statement of No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances in the financial statements. We found the Village improperly reported \$5,211 of the City Truck Fund's cash fund balance as committed instead of reporting the cash fund balance as restricted;

As a result of audit procedures performed, misclassifications were noted in the Village's financial statements for 2018 as follows:

- Homestead and rollback receipts in the amounts of \$2,325, \$249, and \$566 were posted to Taxes instead of Intergovernmental in the General, Street Construction, Maintenance and Repair, and Other Special Revenue funds, respectively;
- 34% District Registration receipts in the amounts of \$2,498 and \$1,638 were posted to Taxes and Other Debt Proceeds, respectively, instead of Intergovernmental in the Street Construction, Maintenance and Repair Fund and City Truck Fund, respectively;
- Gasoline Excise Tax receipts in the amount of \$301 was posted to Other Debt Proceeds instead of Intergovernmental in the City Truck Fund;
- ARC grant in the amount of \$239,236 was posted to Other Financing Sources and Interest and Fiscal Charges instead of Intergovernmental and Capital Outlay in the Sewer Construction Account Fund;
- USDA loan proceeds in the amount of \$180,287 were posted to Other Financing Sources and Interest and Fiscal Charges instead of Loans Issued and Capital Outlay in the Sewer Construction Account Fund;
- USDA grant receipts in the amount of \$1,051,640 were posted to Other Financing Sources and Interest and Fiscal Charges instead of Intergovernmental and Capital Outlay in the Sewer Construction Account Fund;
- OPWC grant receipts in the amount of \$475,000 were posted to Other Financing Sources and Interest and Fiscal Charges instead of Intergovernmental and Capital Outlay in the Sewer Construction Account Fund;
- OPWC loan proceeds in the amount of \$500,000 were posted to Other Financing Sources and Interest and Fiscal Charges instead of Loans Issued and Capital Outlay in the Sewer Construction Account Fund;
- Loan and grant proceeds in the amount of \$138,340 were posted to Interest and Fiscal Charges instead of Capital Outlay in the Sewer Construction Account Fund;
- Tractor debt payments of \$538 was posted to Public Health Services in the General Fund, \$538 was posted to Leisure Time Activities in the General Fund, \$538 was posted to Basic Utility Services in the Village Water Operating Fund and \$538 was posted to Basic Utility Services in the Village Sewer Operating Fund instead of Principal in the respective funds;

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-003 (Continued)

Material Weakness (Continued)

- Tractor debt payments of \$45 was posted to Public Health Services in the General Fund, \$45 was posted to Leisure Time Activities in the General Fund, \$45 was posted to Basic Utility Services in the Village Water Operating Fund and \$45 was posted to Basic Utility Services in the Village Sewer Operating Fund instead of posting the debt payments to Interest and Fiscal Charges in the respective funds;
- Truck loan proceeds in the amount of \$33,800 was posted to Charges for Services and Capital Outlay in the City Truck Debt Service Fund instead of posted to Loans Issued and Capital Outlay in the amounts of \$13,520 in the Street Construction Maintenance and Repair Fund, \$13,520 in the Village Water Operating Fund and \$6,760 in the Village Sewer Operating Fund;
- Debt payments for Ohio Public Works Commission (OPWC) loan #CT43C in the amount of \$2,756 were posted to Basic Utility Services instead of Principal in the Salesville Water Loan Fund;
- Debt payment in the amount of \$10,916 was posted to Principal instead of Interest and Fiscal Charges in the OWDA Sewer Plant Design Loan Fund; and
- Statement of No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances in the financial statements. We found the Village improperly reported \$29,367 of the General Fund balance as assigned instead of reporting it as unassigned. We also found the Village improperly reported \$2,550 of the City Truck Fund's cash fund balance as committed instead of reporting the cash fund balance as restricted;

As a result of audit procedures performed, misclassifications were noted in the Village's financial statements for 2017 as follows:

- Homestead and rollback receipts in the amounts of \$2,374, \$255, and \$587 were posted to Taxes instead of Intergovernmental in the General, Street Construction, Maintenance and Repair, and Other Special Revenue funds, respectively;
- 34% District Registration receipts in the amounts of \$2,948, \$109 and \$525 were posted to Taxes, Charges for Services and Other Debt Proceeds, respectively, instead of Intergovernmental in the Street Construction, Maintenance and Repair Fund and City Truck Fund, respectively;
- USDA loan proceeds in the amount of \$33,643 were posted to Intergovernmental instead of Loans Issued in the Enterprise USDA/Debt Service Reserve Fund;
- USDA loan proceeds in the amount of \$160,015 were posted to Miscellaneous Revenue instead of Proceeds of Loan in the General Fund;
- State and Local Government Highway Distribution receipts in the amounts of \$982 and \$109 were posted to Other Debt Proceeds and Charges for Services, respectively, instead of Intergovernmental in the City Truck Fund;
- USDA loan proceeds in the amount of \$527,056 were posted to Other Financing Sources instead of Loans Issued in the Sewer Construction Account Fund. Of that amount, \$354,723 was for loan payoffs of OWDA Loan #5927 and #6859 that was posted to Interest and Fiscal Charges instead of Principal and the remaining amount of \$172,333 was posted to Interest and Fiscal Charges instead of Capital Outlay in the Sewer Construction Account Fund;

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-003 (Continued)

Material Weakness (Continued)

- Community Development Block Grant (CDBG) receipt in the amount of \$495,000 was posted to Other Financing Sources instead of Loans Issued in the Sewer Construction Account Fund. Of that amount, \$378,838 was posted to Interest and Fiscal Charges instead of Capital Outlay in the Sewer Construction Account fund;
- Disbursements from OWDA for Loan #6859 in the amount of \$21,080 were posted to Capital Contributions and Interest and Fiscal Charges instead of Loans Issued and Capital Outlay in the OWDA Loan #2 Fund;
- Capitalized interest for OWDA Loan #6859 in the amount of \$6,189 were not posted by the Village;
- Utility collections in the amount of \$19,800, \$12,666 were posted to Capital Contributions instead of Charges for Services in the OWDA Sewer Plant Design Loan Fund and OWDA Loan #2 Fund, respectively;
- Utility collections in the amount of \$873 were posted to Other Debt Proceeds instead of Charges for Services in the City Truck Fund;
- Tractor debt payments of \$436 was posted to Public Health Services in the General Fund, \$436 was posted to Leisure Time Activities in the General Fund, \$436 was posted to Basic Utility Services in the Village Water Operating Fund and \$436 was posted to Basic Utility Services in the Village Sewer Operating Fund instead of Principal in the respective funds;
- Tractor debt payments of \$50 was posted to Public Health Services in the General Fund, \$50 was posted to Leisure Time Activities in the General Fund, \$50 was posted to Basic Utility Services in the Village Water Operating Fund and \$50 was posted to Basic Utility Services in the Village Sewer Operating Fund instead of posting the debt payments to Interest and Fiscal Charges in the respective funds;
- Debt payments for Ohio Public Works Commission (OPWC) loan #CT43C in the amount of \$4,134 were posted to Basic Utility Services instead of Principal in the Village Water Operating Fund;
- Debt payment for OWDA Loan #6859 in the amount of \$986 was posted to Basic Utility Services instead of Interest and Fiscal Charges in the Village Sewer Operating Fund; and
- Statement of No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances in the financial statements. We found the Village improperly reported \$3,719 of the City Truck Fund's cash fund balance as committed instead of reporting the cash fund balance as restricted;

These reclassifications were due to limited oversight by management. The significant reclassifications, with which management agrees, were posted to the financial statements of the Village. Also, the Village failed to create a fund balance policy.

The Fiscal Officer should refer to the Village Officer's Handbook for proper receipt and expenditure classification to ensure the Village's accounting system and year-end financial statements are properly reported. Also, the Village Council should adopt control procedures for the review of postings made by the Fiscal Officer. In addition, the Village should create and approve a fund balance policy.

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-004

Material Weakness

A well-designed system of internal control will include monitoring of financial reports and information by the governing board in order to compensate for any lack of segregation of duties. The small size of the Village's staff did not allow for an adequate segregation of duties. The Fiscal Officer performed all accounting functions, including receipting, depositing, disbursing, and reconciling. In addition, in 2018 the Fiscal Officer also served as the Utility Clerk and was responsible for all functions, including billing, receipting, reconciling, and the approval of adjustments. It is therefore important for the Council members and the Control to monitor financial activity closely and to follow up on any audit findings.

The results of our audit indicated a weakness in management's role to establish and maintain effective internal controls and to ensure and document the Village is complying with legal requirements as evidenced by the material noncompliance citations and material weaknesses included in our report. We initially noted no evidence of support for the unreconciled items on the Village's cash reconciliations, as discussed in Finding No. 2019-001.

Failure to adequately monitor the activities of the Village by Village Council and Board of Public Affairs/Village Administrator and maintain supporting evidence and accounting reports of the Village's activities could result in errors or irregularities to occur and remain undetected.

The Village Council and Board of Public Affairs/Village Administrator should become more actively involved in monitoring the financial activity of the Village. Village Council should ensure that the Fiscal Officer performs a monthly bank reconciliation. Village Council should then review the validity of the computations and reconciling items and attest to the reconciliation's accuracy. Village Council should also ensure the Fiscal Officer maintains and presents to Council monthly the following records: receipts ledger, appropriations ledger, cash journal, budget vs. actual reports for receipts and disbursements, payroll journal and check register. Utility duties including the receipt of cash, depositing and posting activity to the billing system should be appropriately segregated and all adjustments to utility accounts should require approval.

Supervisory reviews should be performed by members of Village Council and evidenced by the initials of each member performing the review and the date of the review was performed.

The presentation of these records and reviews by Village Council and Board of Public Affairs/Village Administrator should be noted in the minutes. Council should make appropriate inquiries to help determine the continued integrity of financial information such as:

- Are current receipts sufficient to cover expenditures?
- Are actual receipts and expenditures in line with the budget?
- Are receipts and expenditures in line with prior years?
- If unusual fluctuations occur, is the reason documented, and properly budgeted for?
- Are anticipated receipts being received in a timely manner?

The information obtained as a result of such reviews and inquiries will provide important data necessary to properly manage the Village.

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-005

Material Weakness

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Village Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Village Council are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

At December 31, 2019, estimated receipts, as approved by the Budget Commission, did not agree to the estimated receipts posted by the Village Fiscal Officer in the UAN budgetary accounting system for the General Fund, by a variance of \$29,367. At December 31, 2017, estimated receipts as approved by the Budget Commission, did not agree to the estimated receipts posted by the Village Fiscal Officer in the UAN budgetary accounting system for the General and Village Sewer Operating funds, by a variance of \$160,015 and \$3,939,072, respectively. At December 31, 2017, appropriations as approved by the Village Council, did not agree to the appropriations posted by the Village Fiscal Officer in the UAN budgetary accounting system for the Village Sewer Operating Fund, by a variance of \$3,838,264.

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Village Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) were not posted properly to the accounting system.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Village Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-006

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission. No appropriation measure shall become effective until the county auditor files a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

At December 31, 2018, the Village's appropriations exceeded the amount certified as available by the budget commission in the City Truck Debt Service Fund by \$36,907. At December 31, 2017, the Village's appropriations exceeded the amount certified as available by the budget commission in the Village Sewer Operating Enterprise Fund by \$3,871,907. Although appropriations were deemed appropriated for the federal and state grant monies for construction, the Village failed to obtain an amended certificate for these appropriations.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Village Council to reduce the appropriations.

FINDING NUMBER 2019-007

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2019-007 (Continued)

Noncompliance and Material Weakness (Continued)

- “Then and Now” certificate – If the chief fiscal officer can certify both at the time the contract or order was made (“then”), and at the time the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village Council can authorize the drawing of a warrant for the payment of the amount due. The Village Council has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village Council.

- Blanket Certificate – The auditor or fiscal officer may prepare “blanket” certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
- Super Blanket Certificate – The Village Council may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, five out of five of the transactions tested at December 31, 2018 and December 31, 2017 were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village’s funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, “then and now” certification should be used.

**VILLAGE OF QUAKER CITY
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019 (Continued)**

3. FINDING FOR FEDERAL AWARDS

1. Title of Finding

Finding Number:	2019-008
CFDA Number and Title:	CFDA # 10.760 Water and Waste Disposal Systems for Rural Communities
Federal Agency:	U.S. Department of Agriculture
Compliance Requirement:	Reporting
Pass-Through Entity:	Direct

2 CFR Subpart F § 200.510(b) requires the auditee prepare a Schedule of Expenditures of Federal Awards (the Schedule) for the period covered by the Village's financial statements which must include the total federal awards expended as determined in accordance with § 200.502.

At a minimum, the schedule must:

- List individual Federal programs by Federal agency.
- For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- Include the total amount provided to subrecipients from each Federal program.
- For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period.
- Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee has elected to use the 10 percent de minimis cost rate as covered in § 200.414 Indirect (F&A) costs.

The Schedule prepared by the Village had the following errors:

- The Village overstated the Community Development Block Grants/State's Program, CFDA #14.228, and the Water and Waste Disposal Systems for Rural Communities, CFDA #10.760, federal program expenditures;
- The net effect of these errors were 46% of total federal expenditures.

Errors and omissions on the Schedule of Expenditures of Federal Awards (the Schedule) could have an adverse effect on future grant awards by the awarding agency in addition to an inaccurate assessment of major federal programs that would be subjected to audit. Adjustments, to which management has agreed, are reflected in the Schedule.

The Village should implement a system to review the Schedule for errors and omissions. This will help ensure the Schedule is complete and accurate and major federal programs are correctly identified for audit.

Village of Quaker City
Guernsey County
P.O. Box 156
Quaker City, Ohio 43773

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2019, 2018 and 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Incorrect postings of financial statement account classifications and fund balance classifications were noted.	Not Corrected	The Village failed to correct mispostings that were reported in prior audit. Reissued as Finding 2019-003.

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Village of Quaker City
Guernsey County
P.O. Box 156
Quaker City, Ohio 43773

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2019, 2018 and 2017

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2019-001	Management to consult with software provider about the billing rate issue.	January 2021	Crystal Taylor
2019-002	Management will review the internal control procedures over the bank reconciliation and make the necessary changes in internal control.	January 2021	Crystal Taylor
2019-003	Management will review fund and account classifications more closely.	January 2021	Crystal Taylor
2019-004	Management will review controls over segregation of duties and implement oversight where needed.	January 2021	Crystal Taylor
2019-005	Management will review controls over budgetary postings and implement oversight where needed.	January 2021	Crystal Taylor
2019-006	Management will implement procedures to ensure budgetary amounts are posted correctly and monitor for variances.	January 2021	Crystal Taylor
2019-007	Management will ensure prior certification is followed for future disbursements.	January 2021	Crystal Taylor
2019-008	Management will work with our consultant group on federal projects to ensure the Schedule of Expenditures of Federal Awards is correct.	January 2021	Crystal Taylor

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF QUAKER CITY

GUERNSEY 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 3/9/2021

88 East Broad Street, Columbus, Ohio 43215
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