



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Middleport  
Meigs County  
659 Pearl Street  
Middleport, Ohio 45760

We have performed the procedures enumerated below on the Village of Middleport, Meigs County, Ohio (the Village), receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Village. The Village is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village.

The Village Council, Mayor and the management of the Village have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Village's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2021 and 2020, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

### Cash

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for each opinion unit recorded in the Fund Ledger Report to the December 31, 2019 balances in the prior year audited statements. We found the following exceptions:

**Cash (Continued)**

Opinion Unit	12/31/2019 Balance in the Prior Year Audited Statements	01/01/2020			01/01/2020 Beginning	
		Beginning Fund Balances as recorded in the Fund Ledger Report (Before Adjustments)	Variance	Adjustments	Fund Balances as recorded in the Fund Ledger Report (After Adjustments)	Variance
General	39,129	39,129	-	39,154	(25)	
Special Revenue	103,839	168,753	(64,914)	190,121	(86,282)	
Permanent	87,720	87,720	-	87,720	-	
Enterprise	581,738	581,738	-	581,781	(43)	
Custodial	3,250	41,618	(38,368)	44,867	(41,617)	
<b>Total</b>	<b>815,676</b>	<b>918,958</b>	<b>(103,282)</b>	<b>943,643</b>	<b>(127,967)</b>	

The \$25 variance in the General Fund and \$43 in Enterprise Funds were the result of a voided checks. The \$86,282 and \$41,617 in the Special Revenue Funds and Custodial Funds, relate to adjustments posted by the Fiscal Officer to the Law Enforcement Trust Fund (LETf) and Mayor's Court Fund based on bank statement amounts, reconciling errors in the prior audited amounts, and prior auditor adjustments that hadn't been properly posted in the system. We reviewed support on file and note that the resulting balances in the Uniform Accounting Network (UAN) after all adjustments and voids were reasonable. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2020 balances in the Fund Ledger Report. We found no exceptions.

3. We agreed the 2021 and 2020 bank reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2021 and 2020 to the total fund cash balances reported in the Fund Status Report and the financial statements filed by the Village in the Hinkle System. The total fund cash balances reported in the Fund Status Report and the financial statements filed by the Village in the Hinkle System exceeded the adjusted UAN Balances and Adjusted Bank Balances by \$288 at December 31, 2021 due to items that were in essence deposits in transit. We found no exceptions at December 31, 2020.
4. We confirmed the December 31, 2021 bank account balances with the Village's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation with one exception. The Village held a commissary account as confirmed by the Village's financial institution with a balance of \$7,092 which was not included in the bank reconciliation as that account and its activity were not included in the UAN system.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2021 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. We found no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2021 bank reconciliation:
  - a. We traced each credit to the subsequent January bank statement. We found no exceptions.

### Cash (Continued)

- b. We agreed the credit amounts to the Receipts Register and determined they were dated prior to December 31. We found no exceptions.
7. We inspected the Fund Status Report to determine whether the Findings for Adjustment identified in the prior audit report were properly posted to the ledgers and reflected in the fund balances in Procedure 2. Prior audit reports from 2016-2019 show audit adjustments and errors that would reduce the Village's fund balances by \$103,280. However, audited financial statements were \$74,902 less than the reconciled bank balances and the UAN balances were \$28,378 more than the reconciled bank balances. Although the Fiscal Officer did not post the prior audit adjustments to UAN which would have resulted reconciling errors, she did correct the balances for the secondary accounts in UAN during 2020. Her adjustments corrected the fund balances while still reconciling to the bank and appear to be accurate and complete based on supporting documentation available. Therefore there are no adjustments required in 2020 or 2021.

### Property Taxes and Intergovernmental Cash Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Listing (DTL), and the Meigs County Appropriation History Reports for 2021 and a total of five from 2020:
  - a. We compared the amount from the above named report to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We inspected the Receipt Register Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Receipt Register Report to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2021 and 2020. The Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.

### Income Tax Receipts

We obtained the December 31, 2021 and 2020 Monthly Distributions Summary reports submitted by the Regional Income Tax Agency (RITA), the agency responsible for collecting income taxes on behalf of the Village, and the 2021 and 2020 Municipal Income Tax entries posted per the State Distribution Transaction Listing. We agreed the total gross income taxes per year to the Village's Receipt Register Report. We found \$1,088 more was posted in 2020 from the Receipt Register Report than was noted on the Monthly Distributions Summary Report.

### Other Receipts

We selected 10 other receipts from the year ended December 31, 2021 and 10 other receipts from the year ended 2020 and:

- a. Agreed the receipt amount recorded in the Receipt Register Report to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Receipt Register Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found one receipt of \$41,617 relating to the Village's portion of Mayor's Court receipts, recorded in the General Fund that related to amounts that should have been distributed to the General Fund in prior years.

**Water Operating Fund, Sewer Operating Fund, Meter Deposits Fund, Leak Insurance Deposits Fund, Sewer Improvement Fund, and Refuse Fund**

1. We selected 10 Water Operating Fund, Sewer Operating Fund, Meter Deposits Fund, Leak Insurance Deposits Fund, Sewer Improvement Fund, and Refuse Fund collection cash receipts from the year ended December 31, 2021 and 10 Water Operating Fund, Sewer Operating Fund, Meter Deposits Fund, Leak Insurance Deposits Fund, Sewer Improvement Fund, and Refuse Fund collection cash receipts from the year ended 2020 recorded in the Receipt Register Report and determined whether the:
  - a. Receipt amount per the Receipt Register Report agreed to the amount recorded to the credit of the customer's account in the Utility Billings Transaction report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Utility Billings Transaction report for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the engagement period [multiplied by the consumption amount recorded for the billing period, plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.
  - c. Receipt was posted to the proper funds, and was recorded in the year received. We found no exceptions.
2. We observed the Aging Report.
  - a. This report listed \$161,414 and \$167,611 of accounts receivable as of December 31, 2021 and 2020, respectively.
  - b. Of the total receivables reported in the preceding procedure, \$75,728 and \$70,998 were recorded as more than 90 days delinquent.
3. We observed Consolidated Batch Summary Report.
  - a. This report listed a total of \$5,913 and \$100,057 non-cash receipts adjustments for the years ended December 31, 2021 and 2020, respectively.
  - b. We selected five non-cash adjustments from 2021 and five non-cash adjustments from 2020, and observed that the Village maintained no formal documentation of any approval for each adjustment.

**Debt**

1. From the prior audit documentation, we observed the following bonds, notes, and loans were outstanding as of December 31, 2019. These amounts agreed to the Village's January 1, 2020 balances on the summary we used in procedure 3 except as noted below:

**Debt (Continued)**

Issue	Principal Outstanding as of December 31, 2019 per Prior Audit:	Principal Outstanding as of December 31, 2019 per confirmation used in step 3 below:	Variance
Building Bond	\$ 717,169	\$ 715,000	\$ (2,169)
Ohio Water Development Authority Loan 3429	65,054	64,305	(749)
Ohio Water Development Authority Loan 5247	477,291	477,290	(1)
Ohio Water Development Authority Loan 6153	196,707	209,919	13,212
Ohio Public Works Commission Loan CT53D	48,000	47,610	(390)
Kansas State Bank Loan- Ladder Truck	556,686	562,880	6,194
John Deere Financial – Mowers	3,631	2,825	(806)
Ally – GMC Dump Truck	1,780	14,437	12,657
Ally – 2016 Silverado	22,186	21,529	(657)
Ally – 2017 Silverado	36,860	36,066	(794)
Home National Bank – Demolition	13,234	13,234	0
Synchrony Bank – Mower	9,832	9,997	165
Home National Bank – Marina	33,182	33,357	175
USDA – Garbage Trucks	72,700	72,700	0
Home National Bank – 2020 Cruiser	0	39,023	39,023
<b>Total</b>	<b>\$ 2,254,312</b>	<b>\$ 2,320,172</b>	<b>\$ 65,860</b>

- We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. All debt agreed to the summary we used in procedure 3 except for debt activity not recorded as follows:

**Debt (Continued)**

Issue	New Debt Issued but Debt Proceeds and Related Expenditure Not Posted By Village	Year
Ohio Water Development Authority Loan 8929	223,202	2020
Ohio Water Development Authority Loan 8219	1,114,198	2020
Ohio Water Development Authority Loan 8690	1,956,070	2020
Ohio Public Works Commission Loan CT02U	499,949	2020
Ohio Water Development Authority Loan 8929	16,472	2021
Ohio Water Development Authority Loan 8219	1,000	2021
Ohio Water Development Authority Loan 8690	286,201	2021
Ohio Water Development Authority Loan 7815	3,000	2021
Ohio Water Development Authority Loan 9422	249,056	2021
Home National Bank - 2021 Cruiser	382	2021
Home National Bank - 2021 Chevy Truck	308	2021

The Ohio Water Development Authority (OWDA) Loans 8219 and 8690 were repaid with principal forgiveness in 2020 totaling \$1,114,198 and \$1,956,070, respectively, but the related principal payment and Intergovernmental receipt were not posted to the Village's accounting system. OWDA Loans 8219 and 7815 were repaid with principal forgiveness in 2021 of \$1,000 and \$3,000, respectively, but the related principal payment and Intergovernmental receipt were not posted to the Village's accounting system. Further \$236,618 of OWDA Loan 9422 was repaid with principal forgiveness in 2021 but the related principal payment and Intergovernmental receipt were not posted to the Village's accounting system. \$215,623 of the proceeds for OWDA Loan 9422 were used to pay off OWDA Loan 8929. gv

3. We obtained a summary of bonds, notes, and loans debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedules or bank confirmations to the respective General, Police Levy, Street Construction, Maintenance and Repair, Fire Truck, Marina Improvement, Refuse, Water Operating Fund, and Sewer Operating Fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found:
  - In 2020:
    - \$30,474 of principal payments were posted as Capital Outlay in the Marina Improvement Fund relating to Home National Bank- Marina debt.
    - \$1,089 of principal was posted as interest in the General Fund relating to Home National Bank debt and \$103 principal posted as interest in payments split equally between the Water Operating Fund and Sewer Operating Fund relating to Ally debt.
    - an interest payment from the Refuse Fund was posted as \$119 less than noted on the amortization schedule for the United States Department of Agriculture (USDA) -Garbage Trucks loan.
    - For Building Bond (Farmer's Bank), the payment due on September 1, 2019 was not paid until February 24, 2020. In addition, a payment of \$15,015 was made December 30, 2020 when the amortization schedule indicated the payment should have been \$11,055 due on September 1, 2020.



### Debt (Continued)

- In 2021:
  - \$95 of principal was posted as interest in payments split equally between the Water Operating Fund and Sewer Operating Fund relating to Ally debt.
  - an interest payment from the Sewer Operating Fund was posted at \$27 less than was noted on the amortization schedule for USDA Rural Development debt.
  - For Building Bond (Farmer's Bank), the payment due on September 1, 2021 was not paid until March 2022.

We also note the principal forgiveness payments noted in step 2 above were not recorded in the Village accounting system in either year.

4. We agreed the amount of debt proceeds received for 2021 and 2020 from the debt documents to amounts recorded in the respective Fire Equipment Fund, Police Levy and Sewer Operating Funds per the Receipt Register Report. The amounts agreed with the exception of additional proceeds noted in step 2 above that were not recorded in the Village accounting system.
5. For new debt issued during 2021 and 2020, we inspected the debt legislation, which stated the Village must use the proceeds to purchase two trucks and a police cruiser. We inspected the Payment Register Detail Report and observed the Village purchased a truck in December, 2020, a police cruiser in August, 2021 and a truck in December, 2021. We also noted the payments related to the proceeds of unrecorded debt in step 2 above were paid directly to vendors or contractors by OWDA and Ohio Public Works Commission.

### Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Wage Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
    - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
    - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found one instance in 2021 where an employee was paid for 3.75 hours overtime when his timesheet indicated 1.67 hours of overtime worked. We also found one instance in 2020 where an employee was under paid by 3.5 hours. We brought this to management's attention. Because we did not compare all timecards, our report provides no assurance whether or not other similar errors occurred.
  - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files and/or minute record. We found no exceptions.
  - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2021 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2021. We observed the following:

**Payroll Cash Disbursements (Continued)**

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	01/31/2022	01/03/2022	\$12,372	\$12,372
State income taxes	01/17/2022	01/14/2022	\$2,473	\$2,473
Village of Middleport income tax	01/17/2022	01/14/2022	\$1,201	\$1,201
OPERS retirement	01/31/2022	01/31/2022	\$16,251	\$16,251
OP&F retirement	01/31/2022	01/31/2022	\$3,426	\$3,426

We found no exceptions.

**Non-Payroll Cash Disbursements**

We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2021 and 10 from the year ended 2020 and determined whether:

- a. The disbursements were for a proper public purpose. We found one exception. Transaction number 1130-2021 included \$31 of sales tax which is not considered proper public purpose.
- b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.
- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
- d. The Fiscal Officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found two instances in 2021 and three instances in 2020 where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

**Mayor's Court Transactions and Cash Balances**

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2021 and December 31, 2020 to the Mayor's Court Fund balance reported in the Fund Status Reports. The balances in the Fund Status Report exceeds the reconciled cash totals by the amount of outstanding checks totaling \$19,655 and \$18 for 2021 and 2020, respectively, as the Fiscal Officer updates the UAN system at year end to agree to the bank balance rather than the Mayor's Court system balance. The balance was corrected in the client system in September 2022.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2021 and 2020 listing of unpaid distributions as of each December 31. The amounts agreed.

**Mayor's Court Transactions and Cash Balances (Continued)**

4. We confirmed the December 31, 2021 bank account balance with the Mayor's Court financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation without exception.
5. We selected five cases from the court cash book and agreed the payee and amount posted to the:
  - a. Duplicate receipt book.
  - b. Docket, including comparing the total fine paid to the judgment issued by the judge (i.e. mayor)
  - c. Case file.

The amounts recorded in the cash book, receipts book, docket and case file agreed.

6. From the cash book, we selected one month from the year ended December 31, 2021 and one month from the year ended 2020 and determined whether:
  - a. The monthly sum of fines and costs collected for those months agreed to the amounts reported as remitted to the Village, State or other applicable government in the following month. We found that the March 2021 collections were not remitted until June rather than in the subsequent month.
  - b. The totals remitted for these two months per the cash book agreed to the returned canceled checks. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the cash book.

**Compliance – Budgetary**

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2021 and 2020 for the General Fund, Fire Truck Fund, and Sewer Operating Fund as recorded in the Appropriation Status Report. Expenditures for 2021 and 2020 exceeded total appropriations contrary to Ohio Rev. Code § 5705.41(B) as follows:

Fund	Year	Budgetary Expenditures	Authorized Appropriations	Amount by which Budgetary Expenditures Exceed Authorized Appropriations
General Fund	2021	1,006,027	981,403	24,624
Fire Truck Fund	2021	109,087	109,000	87
General Fund	2020	1,033,228	979,000	54,228
Sewer Operating Fund	2020	505,456	495,000	10,456

2. We inspected the Appropriation Ledger Report for the Cemetery Endowment Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period.

### **Compliance – Budgetary (Continued)**

3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2021 and 2020 for negative cash fund balance. Ohio Rev. Code § 5705.10(l) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

### **Sunshine Law Compliance**

1. We obtained and inspected the Village's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected five public records requests from the engagement period and inspected each request to determine the following:
  - a. The Village was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
  - b. The Village did not have any denied public records requests during the engagement period.
  - c. The Village did not have any public records requests with redactions during the engagement period.
3. We inquired with Village management and determined that the Village did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inquired with Village management and determined that the Village did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
6. We observed that the Village's poster describing their Public Records Policy was displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inquired with Village management and determined that the Village did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inspected individual proof of attendance and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found three Council Members with terms ending in 2021 which did not attend the required training nor appoint a designee to attend.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.

### **Sunshine Law Compliance (Continued)**

10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
  - a. Prepared – a file is created following the date of the meeting
  - b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. Open to public inspection – available for public viewing or request.

We found no exceptions.

11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
  - a. Executive sessions were only held at regular or special meetings.
  - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.

We found no exceptions.

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

1. We inquired of management and those charged with governance and documented how the Village decided to spend their CRF allocations and how the Village documented their compliance with the CARES Act three-prong test. We then selected five transactions including payroll, non-payroll, and subgrant/subloan transactions. and determined the Village:
  - a. Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
  - b. Maintained appropriate supporting documentation.

We found no exceptions.

2. We recalculated the unencumbered balance the local government should have paid back to the county treasurer and determined the unencumbered balance of money of \$43,832 was not returned to the county treasurer by November 20, 2020.

### **Contract Compliance**

1. We inspected the Appropriation Ledger and identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one contract for 2021 and one for 2020 and
  - a. We inspected the contract and other bids for the contracted expenditure and determined:
    - i. The Village accepted the lowest bid and met the requirements of Ohio Rev. Code § 735.05.
    - ii. No bid splitting occurred
    - iii. No deliberate attempts to evade bid limitations occurred, such as successive contracts just under the bid amount, occurred.
    - iv. No apparent interest in the contract by a public official occurred.

We found no exceptions.

- b. We inspected the advertisements of the proposals for bids in the newspaper and determined they were made as required by Ohio Rev. Code §§ 731.14 and 7.16. We found no exceptions.

**Other Compliance**

1. Ohio Rev. Code § 117.38 requires villages to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Village filed their financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2021 and 2020 in the Hinkle system. However, the financial statements did not include all activity as follows:

<u>Fund</u>	<u>Year</u>	<u>Unrecorded Beginning Balance</u>	<u>Unrecorded Receipts</u>	<u>Unrecorded Disbursements</u>	<u>Effect on Fund Balance</u>
Mayor's Court	2020		27,640	27,658	(18)
Law Enforcement Trust Fund	2020		2,808	2,808	-
Commissary Fund	2020	1,824	43,742	38,898	6,668
Mayor's Court	2021	(18)	68,934	88,571	(19,655)
Law Enforcement Trust Fund	2021	-	12,764	12,764	-
Commissary Fund	2021	6,668	84,132	83,708	7,092

2. We inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the Fiscal Officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. The Fiscal Officer exceeded the total required hours for training but did not attend the 2 hours ethics training.

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Keith Faber  
 Auditor of State  
 Columbus, Ohio

September 16, 2022

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF MIDDLEPORT**

**MEIGS 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 10/13/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)