



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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

Village of Bowerston  
Harrison County  
P.O. Box 262  
Bowerston, Ohio 44695

We have performed the procedures enumerated below on the Village of Bowerston's, Harrison County, Ohio (the Village), receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021, 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 and Investments

1. We recalculated the December 31, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2021 beginning fund balances for each fund recorded in the Cash Summary by Fund to the December 31, 2020 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2022 beginning fund balances for each fund recorded in the Cash Summary by Fund to the December 31, 2021 balances in the Cash Summary by Fund. We found no exceptions.
3. We agreed the 2022 and 2021 bank reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2022 and 2021 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 amounts agreed.

#### **Cash and Investments (-Continued)**

4. We confirmed the December 31, 2022 bank account balances with the Village's Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2022 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 of the reconciling credits (such as deposits in transit) from the December 31, 2022 bank reconciliation:
  - a. We were unable to trace each credit to the subsequent bank statements due to three receipts totaling \$2,927 being double posted in the UAN system. Instead of voiding the double receipts, the Fiscal Officer left them as deposits in transit. This has been corrected by the Village.
  - 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 investments held at December 31, 2022 and December 31, 2021 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14, 135.144 or 135.145. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We found no exceptions.

#### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Listing (DTL), and the County Auditor Cross Reference Reports for 2022 and a total of five from 2021:
  - a. We compared the amount from the above named reports to the amount recorded in the AWB Receipt Report. The amounts agreed.
  - b. We inspected the AWB Receipt 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 AWB Receipt 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 AWB Receipt Report to determine whether it included two real estate tax receipts for 2022 and 2021. The AWB Receipt Report included the proper number of tax receipts for each year. We found no exceptions.

#### **Income Tax Receipts**

1. We compared the allocation of income tax receipts for the years ended December 31, 2022 and 2021 to the Village's funds according to the allocation requirements of Ordinance No. 235. The allocation agreed with the percentages the Ordinance requires.
2. We selected five income tax returns filed during 2022 and five from 2021.
  - a. We compared the payment amount recorded on the tax return to the amount recorded on the Income Tax Payment Journal. The amounts agreed.

### **Income Tax Receipts (Continued)**

- b. We compared the Income Tax Payment Journal total from procedure a. to the amount recorded as income tax receipts in the AWB Receipt Report for that date. The amounts agreed.
  - c. We compared the date of the receipts to the date the receipts were posted in the AWB Receipt Report to determine whether the receipts were recorded in the year received. We found no exceptions.
4. We selected all of the income tax refunds from 2021:
    - a. We compared the refund paid from AWB Payment Detail Report to the refund amount requested in the tax return. The amounts agreed.
    - b. We observed the approval by Income Tax Administrator on each of the refunds. No exceptions were found.
    - c. We observed the refunds were paid from the General or Other Capital Projects Funds, as is required.

### **Other Receipts**

We selected 10 other receipts from the year ended December 31, 2022 and 10 other receipts from the year ended 2021 and:

- a. Agreed the receipt amount recorded in the AWB Receipt 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 AWB Receipt Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

### **Water and Sewer Fund**

1. We selected 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2022 and 10 Water and Sewer Fund collection cash receipts from the year ended 2021 recorded in the Cash Receipts Journal and determined whether the:
  - a. Receipt amount per the Cash Receipts Journal agreed to the amount recorded to the credit of the customer's account in the Demand Statement. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Demand Statement 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 Aged Customer Balance Report:
  - a. This report listed \$4,361 and \$,1036 of accounts receivable as of December 31, 2022 and 2021, respectively.
  - b. Of the total receivables reported in the preceding procedure, \$1,840 and \$2,220 were recorded as more than 90 days delinquent.
3. We observed the Cash Receipts Journal
  - a. This report listed a total of (\$7,419) and \$735 non-cash receipts adjustments for the years ended December 31, 2022 and 2021, respectively.

**Water and Sewer Fund (Continued)**

- b. We selected five non-cash adjustments from 2022 and five non-cash adjustments from 2021, and observed that the President of the Board of the Council approved each adjustment.

**Debt**

- 1. From the prior agreed-upon procedures documentation, we observed the following loan and bond were outstanding as of December 31, 2020.
  - a. These amounts agreed to the Village's January 1, 2021 balances on the summary we used in procedure 3.
  - b. We inspected the debt agreements for all outstanding debt and we confirmed the Village does not have any debt covenants.

| Issue                       | Principal outstanding as of December 31, 2020: |
|-----------------------------|--|
| Fresh Water Fund Loan       | \$47,477                                       |
| Sanitary Sewer Revenue Bond | 34,000   |

- 2. We inquired of management, and inspected the AWB Receipt Detail Report and AWB Payment Report for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. All debt agreed to the summary we used in procedure 3.
- 3. We obtained a summary of bonds and loans debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to the Enterprise Debt Service and Enterprise Debt Service Reserve Funds payments reported in the AWB Payment Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.
- 4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in Water Operating, Sewer Operating, Enterprise Debt Service and Other Capital Projects Fund per the AWB Receipt Report. The amounts agreed with the exception of \$797 of capitalized interest that was not recorded for the Water Distribution Systems OWDA Loan. The Village properly recorded the proceeds in a bond fund (i.e. capital projects fund) as required by Ohio Rev. Code § 5705.09(E).
- 5. For new debt issued during 2022 and 2021, we inspected the debt legislation, which stated the Village must use the OWDA proceeds for water and sewer related projects and USDA proceeds for the purchase of a tractor. We inspected the AWB Payment Detail Report and observed the Village used the OWDA loans for wasterwater system, wastewater treatment plant, and water distribution system improvements during 2022 and 2021. We also noted the Village purchased a tractor in 2022 using USDA grant and loan.

**Payroll Cash Disbursements**

- 1. We selected one payroll check for five employees from 2022 and one payroll check for five employees from 2021 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 and pay rate/salary. We found no exceptions.
  - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the minute record. We found no exceptions.
  - c. We confirmed the payment was posted to the proper year. We found no exceptions.

**Payroll Cash Disbursements (Continued)**

2. We selected the new employee from 2022 and three new employees and Council Members from 2021 and:
  - a. We inspected the employee withholding forms for Retirement system, Federal, State & Local income tax withholding authorization provided by Fiscal Officer.
  - b. We agreed the items in a above to the Employee General Information Report.
We found no exceptions.
  
3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2022 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 2022. We observed the following:

| <b>Withholding<br/>(plus employer share,<br/>where applicable)</b> | <b>Date<br/>Due</b> | <b>Date<br/>Paid</b> | <b>Amount<br/>Due</b> | <b>Amount<br/>Paid</b> |
|--|---------------------|----------------------|-----------------------|------------------------|
| Federal income taxes & Medicare                                    | January 31, 2023    | December 30, 2022    | \$2,315               | \$2,315                |
| State income taxes   | January 15, 2023    | January 4, 2023      | \$212                 | \$212                  |
| Village of Bowerston income tax                                    | March 31, 2023      | January 5, 2023      | \$320                 | \$320                  |
| OPERS retirement   | January 30, 2023    | January 12, 2023     | \$2,149               | \$2,149                |

We found no exceptions.

**Non-Payroll Cash Disbursements**

- We selected 10 disbursements from the for the year ended December 31, 2022 and 10 from the year ended 2021 and determined whether:
- a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the AWB Payment 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 one instance in 2022 and two instances in 2021 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.

**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, 2022 and 2021 for the General, Parks and Recreation and Other Capital Projects funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.

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

2. We inspected the Cash Summary by Fund Report for the years ended December 31, 2022 and 2021 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 performed the following:
  - a. We inquired with the Village's management and determined that the Village did not have any completed public records requests during the engagement period.
  - b. We inquired with the Village's management and determined that the Village did not have any denied public records requests during the engagement period.
  - c. We inquired with the Village's management and determined that the Village did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Village had a records retention schedule and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inspected the Village's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
6. We observed that the Village's poster describing their Public Records Policy was displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inquired with Village management and determined that the Village did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inspected individual training certificate and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found no exceptions.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.



### **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:
- Prepared – a file is created following the date of the meeting
  - Filed – placed with similar documents in an organized manner
  - Maintained - retained, at a minimum, for the engagement period
  - 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:
- Executive sessions were only held at regular or special meetings.
  - The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
  - Formal governing board actions were adopted in open meetings.

We found no exceptions.

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

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:

- Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
- Maintained appropriate supporting documentation.

We found no exceptions.

### **Other Compliance**

- Ohio Rev. Code § 117.38 requires villages to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Village filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2022 and 2021 in the Hinkle system. We found no exceptions.
- 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. Fiscal Officer obtained the required 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.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 2, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF BOWERSTON**

**HARRISON 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 8/17/2023**

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