

**VILLAGE OF FOREST
HARDIN COUNTY**

**Agreed-Upon Procedures
For the Years Ended December 31, 2022 and 2021**



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KEITH FABER



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Village Council
Village of Forest
211 West Lima Street
Forest, Ohio 45843

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Forest, Hardin County, prepared by Gueye & Associates, CPA, for the period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Forest is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 01, 2023

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Forest
Hardin County
211 West Lima Street
Forest, Ohio 45843

We have performed the procedures enumerated below on the Village of Forest's (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. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. 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 attempted to agree the January 1, 2021 beginning fund balances for each fund recorded in the Fund Status Report to the December 31, 2020 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. The balances did not agree due to a total of \$336 in outstanding checks written in 2022 and canceled in 2021. We also attempted to agree the January 1, 2022, beginning fund balances for each fund recorded in the Fund Status Report to the December 31, 2021 balances in the Fund Status Report. The balances did not agree due to a total of \$27,420 in sewer funds receipted in water funds in 2021, that was corrected in 2022.
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.

4. We observed the year-end bank balances on the financial institution's website. The balances agreed. 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 attempted to trace each debit to the subsequent January and February bank statements. Of the five selected, two cleared in January and the remaining were still outstanding.
 - 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 the only reconciling credit (such as deposits in transit) from the December 31, 2022, bank reconciliation:
 - a. We traced the credit to the subsequent January bank statements. We found no exceptions.
 - b. We agreed the credit amounts to the Receipts Register Report 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 Appropriation History Report 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 Receipt Detail Report. The amounts agreed.
 - b. We inspected the Receipt Detail 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 Detail 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 Detail Report to determine whether it included two real estate tax receipts for 2022 and 2021. The Receipt Detail Report included the proper number of tax receipts for each year. We found no exceptions.

Income Tax Receipts

1. 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 Batch Transaction Listing. The amounts agreed.
 - b. We compared the cash register tape total from procedure a. to the amount recorded as income tax receipts in the Receipt Detail Report for that date. The amounts agreed.
 - c. We compared the date of the receipts to the date the receipts was posted in the Receipt Detail Report to determine whether the receipts were recorded in the year received. We found no exceptions.

- d. We obtained the original income tax ordinance which set the rate and effective period. The original ordinance was dated 02/12/1987. The latest Council approved amendment for the engagement period was dated 09/14/2017. We agreed the most recent approved rate to the rate used on the income tax return. We found no exceptions.
2. We selected five income tax refunds from 2022 and five from 2021.
 - a. We compared the refund paid from Payment Register Detail Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We observed the approval by the Fiscal Officer on each of the refunds. We found no exceptions.
 - c. We observed the refunds were paid from the General Fund, as is required.

Other Receipts

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

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

Water Operating Fund, Sewer Operating Fund, and Solid Waste Fund

1. We selected 10 Water Operating Fund, Sewer Operating Fund, and Solid Waste Fund collection cash receipts from the year ended December 31, 2022, and 10 Water Operating Fund, Sewer Operating Fund, and Solid Waste Fund collection cash receipts from the year ended 2021 recorded in the Receipt Detail Report and determined whether the:
 - a. Receipt amount per the Receipt Detail Report agreed to the amount recorded to the credit of the customer's account in the Utility Billing Journal and Monthly Cash Log Spreadsheets. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Utility Billing Journal 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 Utility Billing Journal
 - a. This report listed \$17,615 and \$11,142 of accounts receivable as of December 31, 2022, and 2021, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$0 was recorded as more than 90 days delinquent.
3. We observed the Utility Bill Adjustment Journal
 - a. This report listed a total of \$201,227 and \$553.37 non-cash receipts adjustments for the years ended December 31, 2022, and 2021, respectively.
 - b. We selected five non-cash adjustments from 2022 and five non-cash adjustments from 2022, and 2021, and observed that the Fiscal Officer and Council approved each adjustment.

Debt

1. From the prior agreed-upon procedures] documentation, we observed the following notes, and loans 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's final offering documents for all outstanding debt, and we confirmed the Village does not have any debt covenants.

Issue	Principal outstanding as of December 31, 2020:	Debt Covenant
Ohio Water Development Authority (OWDA) # 4708	\$ 623,448.29	N/A
Ohio water Development Authority (OWDA) #3509	\$ 71,852.64	N/A
Ohio water Development Authority (OWDA) #3966	\$ 176,080.36	N/A
Ohio water Development Authority (OWDA) #4827	\$ 235,474.80	N/A
Ohio Water Development Authority (OWDA) #5287	\$ 468,968.68	N/A
Ohio Water Development Authority (OWDA) #7453	\$ 81,769.52	N/A
Ohio Public Works Commission (OPWC) #CT41J	\$ 13,125.00	N/A
Ohio Public Works Commission (OPWC) #CT52L	\$ 14,386.04	N/A
Ohio Public Works Commission (OPWC) #CP46T	\$ 115,982.84	N/A
Ohio Public Works Commission (OPWC) #CP39Q	\$ 17,025.24	N/A
First Community Bank Park Loan	\$ 47,625.00	N/A

2. We inquired of management and inspected the Receipt Detail Report and Payment Register Detail 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 notes, loans and leases debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to the Water Operating, Sewer Operating, and Park and Recreation funds 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 noted the following exceptions:

- In 2021, payments to the OWDA Loan # 7453 totaling \$2,424 were all posted as interest payments in the Water Fund.
- Also in 2021, payments to the First Community Bank Park Loan totaling \$6,000 were posted as capital outlay in the Park and Recreation Fund.
- In 2022, payments to the First Community Bank Park Loan totaling \$6,000 were posted as capital outlay in the Park and Recreation Fund.

The Fiscal Officer and Trustees should monitor debt payments to ensure they are paid timely, recorded in the correct fund and classified accurately.

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, legislatively or statutorily approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine whether 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 selected three new employees and Council Members from 2022 and three new employees and Council Members from 2021 and:
 - a. We inspected the employees' personnel files and/or minute record for the Retirement system, Federal, State & Local income tax withholding authorization.
 - 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2023	January 4, 2023	\$2,950.12	\$2,950.12
State income taxes	January 15, 2023	January 4, 2023	\$571.08	\$571.08
Carey school income tax	January 15, 2023	January 4, 2023	\$31.56	\$31.56
Kenton school income tax	January 15, 2023	January 4, 2023	\$5.24	\$5.24
Riverdale school income tax	January 15, 2023	January 4, 2023	\$234.14	\$234.14
Carey income Tax	January 31, 2023	January 9, 2023	\$15.78	\$15.78
City of Findlay income tax	January 31, 2023	January 9, 2023	\$0.61	\$0.61
Village of Forest income tax	January 31, 2023	January 9, 2023	\$303.84	\$303.84
OPERS retirement	January 30, 2023	January 6, 2023	\$4,175.39	\$4,175.39
OP&F retirement	January 31, 2023	January 6, 2023	\$3,268.00	\$3,268.00

We found no exceptions.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Register Detail Report 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 canceled check and or ACH 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 no exceptions.

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, State Highway, and Water Operating Funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the 5 largest interfund transfers from 2022 and the 5 largest from 2021 Interfund Transfer Listing Report, Revenue Status Reports, and Appropriation Status Reports for compliance with Ohio Rev. Code §§ 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner.
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 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 inquired with Village management and determined that the Village did not have any completed public records requests 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.
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 no exceptions.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.

10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
- 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.

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 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. 2021 Financial information was filed on 03/02/2022 which was not within the allotted timeframe.


Ohio Rev. Code § 117.38 provides that cash-basis entities must file annual reports with the Auditor of State within 60 days after the close of the fiscal year. The Auditor of State (AOS) may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office.

The Village should ensure annual financial information is filed timely in the Hinkle System.

2. We inquired of the fiscal officer and inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the fiscal officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. The 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.



Gueye & Associates, CPA Inc.

June 30, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF FOREST

HARDIN 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 9/14/2023

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