



OHIO AUDITOR OF STATE
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Sugarcreek
Tuscarawas County
410 S. Broadway Street
Sugarcreek, Ohio 44681

We have performed the procedures enumerated below on the Village of Sugarcreek's (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 the December 31, 2021 reconciliation was completed on December 31, 2021 (prior to the close of the business day) and included three outstanding checks dated 12/17/2021 and one outstanding check dated 12/21/2021 which totaled \$2,630. The checks cleared the bank in December 2021 after the reconciliation was performed. This resulted in the Village's 12/31/2021 bank reconciliation overstating both the bank balance and the reconciling debit amounts by \$2,630, which net to a \$0 impact on the accounting records. Additionally, we found \$826 of unexplained reconciling items related to the payroll account at December 31, 2020.

Cash (Continued)

2. We agreed the January 1, 2020 beginning fund balances for each fund recorded in the Fund Cash Balance Statement to the December 31, 2019 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, 2021 beginning fund balances for each fund recorded in the Fund Cash Balance Statement to the December 31, 2020 balances in the Fund Cash Balance Statement. We found no exceptions.
3. We agreed the 2021 and 2020 bank reconciliation as of December 31, 2021 and 2020 to the total fund cash balances reported in the Fund Cash Balance Statement and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
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. We found that the confirmed bank balances exceeded those recorded on the bank reconciliation by \$2,630, as noted above in procedure 1.
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 traced interbank account transfers occurring in December of 2021 and 2020 to the accounting records and bank statements to determine if they were properly recorded. 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 Tuscarawas County Auditor Transaction History Report for 2021 and a total of five from 2020:
 - a. We compared the amount from the above named reports to the amount recorded in the Revenue Statement by Account. The amounts agreed.
 - b. We inspected the Revenue Statement by Account 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 Revenue Statement by Account to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Revenue Statement by Account to determine whether it included two real estate tax receipts for 2021 and 2020. The Revenue Statement by Account included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the total amount paid from Sugarcreek Township, East Holmes Fire District, Clark Township, and Auburn Township for the annual Fire Contracts to the Village during 2021 and 2020. We found no exceptions.
 - a. We inspected the Revenue Statement – By Account Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Statement – By Account Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Income Tax Receipts

1. We obtained the December 31, 2021 and 2020 Monthly Distribution Summary Report submitted by the Regional Income Tax Agency (RITA), the agency responsible for collecting income taxes on behalf of the Village. We agreed the total gross income taxes per year to the Village's Revenue Statement – By Account Report. The amounts agreed.
2. We compared the allocation of income tax receipts for the years ended December 31, 2021 and 2020 to the Village's funds according to the allocation requirements of Ordinance No.13-2073. The allocation agreed with the percentages the Ordinance requires.

Emergency Medical Service Receipts

We confirmed the amounts paid from Ohio Billings, Inc., the service organization that performs the emergency medical billings, to the Village during 2021 and 2020 with Ohio Billings, Inc. We found no exceptions.

- a. We inspected the Revenue Statement – By Account Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
- b. We inspected the Revenue Statement – By Account Report to determine whether the receipts were 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, 2021 and 10 Water and Sewer Fund collection cash receipts from the year ended 2020 recorded in the Revenue Statement – By Account Report and determined whether the:
 - a. Receipt amount per the Revenue Statement – By Account agreed to the amount recorded to the credit of the customer's account in the Aged Customer Balance Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Aged Customer Balance 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 Aged Customer Balance Report.
 - a. This report listed \$109,920 and \$114,719 of accounts receivable as of December 31, 2021 and 2020, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$1,465 and \$927 were recorded as more than 90 days delinquent.
3. We observed the Aged Customer Balance Report.
 - a. This report listed a total of \$10,110 and \$12,571 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 Administrator approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loans and leases 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 for the Baltic Loan #2, which was listed in the prior agreed-upon procedures documentation at \$122,931 and in the summary at procedure 3 at \$122,119. The variance of \$812 was attributable to the prior agreed upon procedures utilizing an outdated amortization schedule, as the Village was paying down debt in advance of scheduled principal payment due.

Issue	Principal outstanding as of December 31, 2019:
OPWC #CT37D	\$ 67,297
OPWC #CN12K	71,543
OPWC #CN13T	232,229
OWDA #3461	44,546
OWDA #5124	140,894
Baltic Loan	8,840
Baltic Loan #2	122,119
Equipment Lease #1	114,500
Equipment Lease #2	54,482

2. We inquired of management and inspected the Revenue Statement – By Account Report and Expense Statement – By Account 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.
3. We obtained a summary of loans and leases debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedules to the General Fund, Street Maintenance and Repair Fund, Fire and EMS Levy Fund and the Water Fund payments reported in the Expense Statement – By Account. We also compared the date the debt service payments were due to the date the Village made the payments. We found that for 2021, the OPWC Loan #CT37D, OPWC Loan #CN12K, and OPWC Loan #CN13T were paid in the month following the due dates. OPWC loan payments are due in January and July, the Village made payments in February and August 2021, respectively. Also, in 2020 and 2021, the Village paid off certain loans and leases before due.
4. For new debt issued during 2021 and 2020, we inspected the debt legislation, which stated the Village must use the proceeds to purchase an Aerial Ladder Truck. We inspected the Expense Statement – By Account and observed the Village purchased an Arial Ladder Truck in August of 2021.

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 Payroll Summary Journal Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee History Report to supporting documentation (timecard, legislatively approved rate or salary).
 - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.
We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
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:

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, 2022	December 28, 2021	\$23,959	\$23,959
State income taxes	January 15, 2022	December 29, 2021	3,705	3,705
Regional Income Tax Agency	January 15, 2022	December 27, 2021	2,385	2,385
OPERS retirement	January 30, 2022	December 28, 2021	14,300	14,300
OP&F retirement	January 31, 2022	December 28, 2021	10,262	10,262

We found no exceptions.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Expense Statement – By Account 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 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 Expense Statement – By Account 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, 2021 and 2020 for the General, Sewer and Water Funds as recorded in the Expense Statement – By Account Report. Water Fund expenditures for 2021 exceeded total appropriations by \$341, contrary to Ohio Rev. Code § 5705.41(B). However, because we did not inspect the budgetary activity of all funds, our report provides no assurance regarding whether or not other similar errors occurred.
2. We inspected the Fund Cash Balance Statement 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 the only public records request from the engagement period and inspected the 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.

Date Request Received	Date Request Fulfilled	Policy Response Time (in Business days)	Actual Response Time (in Business days)
October 6, 2020	October 29, 2020	Reasonable	16

- b. The Village did not have any denied public records requests during the engagement period.
 - c. The Village did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Village had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inquired of management and found no written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inspected the Village's policy manual and determined the public records policy was not 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 not displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2).
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.

Sunshine Law Compliance (Continued)

8. We inspected the fiscal officer's 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). Four of the four elected officials with terms ending December 31, 2021 had not attended the required Public Records training.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 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 was not returned to the county treasurer by November 20, 2020.

Contract Compliance

1. We inspected the Minutes and identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected the only contract over \$50,000 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. 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, 2021 and 2020 in the Hinkle system. We found no exceptions
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 18.5 hours of training, which exceeded the 18 hours required in the first term. The Fiscal Officer has through March 2023 to obtain the required 2 hours of ethics training required.

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

March 6, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SUGARCREEK

TUSCARAWAS 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 3/21/2023

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