



OHIO AUDITOR OF STATE
KEITH FABER





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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Caldwell
Noble County
215 West Street
Caldwell, Ohio 43724

We have performed the procedures enumerated below on the Village of Caldwell’s, Noble County, (the Village) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 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, 2023 and 2022 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, 2023 and 2022, 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, 2023 and December 31, 2022 bank reconciliations. We noted adjustments of \$77,109 on the December 31, 2023 bank reconciliation which represented payment adjustments made by the Village to account for reimbursements from other entities for projects the Village had originally paid for. Reducing expenditures rather than reporting reimbursement revenue causes an understatement of revenues and expenditures on the Village financial statements.

Cash and Investments (Continued)

2. We agreed the January 1, 2022 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2021 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We noted the January 1, 2022 beginning fund balance recorded in the Cash Summary by Fund Report was \$1,043,929 less than the fund balance recorded in the December 31, 2021 Cash Summary by Fund Report. This was due to a voided lost check of \$1,505 and investment activity losses of \$963,405 not recorded on the Village's records until after January 1, 2022, as well as \$82,029 of investment losses (cost basis) from the prior AUP fund balance adjustments not recorded on the Village's records until after January 1, 2022. Additionally, we noted the January 1, 2023 beginning fund balance recorded in the Cash Summary by Fund Report was \$21,964 more than the fund balance recorded in the December 31, 2022 Cash Summary by Fund Report. This was due to lost checks in the amount of \$11,740 and investment activity gains of \$10,224 not recorded on Village's records until after January 1, 2023. See Procedure 4 below for a net adjustment for the investment activity to be recorded at cost.
3. We agreed the 2023 and 2022 bank reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2023 and 2022 to the total fund cash balances reported in the Cash Summary by Fund Report and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2023 bank account balances with the Village's financial institutions. We noted the December 31, 2023 confirmed balance in the water guaranty deposit account was \$149 less than the entered bank balance reported on the Village's bank reconciliation. This was due to the Village's outside utility guaranty account activity for December not being recorded on the Village's books until the subsequent month. In addition, we noted the December 31, 2023 bank reconciliation showed investments being carried on the Village's books at a lower amount than cost by \$913,530. The Village posted the fund balance adjustment of \$913,530 on November 26, 2024 to adjust the investment accounts to cost. This reduced the fund balance adjustment made by the Village as noted in Procedure 2 above for investment activity losses. We also agreed the other confirmed balances to the amounts appearing in the December 31, 2023 bank reconciliation without exception.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2023 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement except for check #28414 in the amount of \$112 which had not cleared the bank after year-end.
 - 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 inspected the Fund Status Report to determine whether the Finding for Adjustment identified in the prior agreed upon procedures report, to bring on an investment loss to the General, Water and Sewer Funds were properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions.
7. We traced interbank account transfers occurring in December of 2023 and 2022 to the accounting records and reconciliation to determine if they were properly recorded. We found no exceptions.
8. We inspected investments held at December 31, 2023 and December 31, 2022 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 5 receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Listing (DTL), and the County Auditor Transaction History Expense Report for 2023 and a total of 5 from 2022:
 - a. We compared the amount from the above-named reports to the amount recorded in the Receipts Detail Report. The amounts agreed.
 - b. We inspected the Receipt Detail Report to determine these receipts were allocated to the proper fund(s) as required by Ohio Rev. Code §§ 5705.05 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 Register Report to determine whether it included 2 real estate tax receipts for 2023 and 2022. The Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the individual amounts paid from the Ohio Public Works Commission (OPWC) and Ohio Water Development Authority (OWDA) to the Village during 2023 and 2022 with the OPWC and OWDA websites. We found no exceptions.
 - a. We inspected the Receipt Detail Report to determine whether these receipts were allocated to the proper fund. We noted Grant Disbursements Markdowns for grant #10408, Principal Forgiveness for loan #10337 and Disbursement for grant #10408 in the amounts of \$164,545, \$282,111, and \$30,769 respectively from OWDA that was not posted to the Village's revenue and appropriation ledgers.
 - b. We inspected the Receipt Detail Report to determine whether the receipts were recorded in the proper year. We found exceptions as noted in step a. above.

Income Tax Receipts

1. We obtained the December 31, 2023 and 2022 RITA Income Tax Revenue Test reports from DITA files obtained from 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 Receipt Register Report. The amounts agreed.
2. We obtained the original income tax ordinance which set the rate and effective period. The original ordinance was dated June 13, 2016. We agreed the most recent approved rate to the rate on RITA's supporting documentation. We found no exceptions.

Other Receipts

- We selected 10 other receipts from the year ended December 31, 2023 and 10 other receipts from the year ended 2022 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 no exceptions.

Water and Sewer Fund

1. We selected 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2023 and 10 Water and Sewer Fund collection cash receipts from the year ended 2022 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 Daily Receipts Binder. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Daily Receipts Binder 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. 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 \$1,194 and \$2,854 of accounts receivable as of December 31, 2023 and 2022, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$509 and \$2,854 were recorded as more than 90 days delinquent.
3. We observed the Transaction Batch Editlist Report: Adjustments.
 - a. This report listed a total of \$6,150 and \$17,311 non-cash receipts adjustments for the years ended December 31, 2022 and 2023, respectively.
 - b. We selected 5 non-cash adjustments from 2023 and 5 non-cash adjustments from 2022, and observed that the Village Administrator approved each adjustment

Debt

1. From the prior agreed upon procedures documentation, we observed the following loans were outstanding as of December 31, 2021.
 - a. These amounts agreed to the Village's January 1, 2022 balances on the summary we used in procedure 3 except for OPWC Loan #CT78V for Sewer Separation Area F was not included on the prior listing of loans in the amount of \$249,500.
 - b. We inspected the debt's final offering documents for all outstanding debt, and we confirmed the Village was in compliance with the debt covenants listed below:
 1. Make semi-annual payments (for OPWC and OWDA).
 2. Maintain insurance on the project (for OWDA).
 3. Submit annual reports (for OWDA).

Debt (Continued)

Issue	Principal outstanding as of December 31, 2021:
OPWC - Sewer Replacement (CR15G)	19,324
OPWC - GAC Water Treatment Project (CR22J)	97,500
OPWC - Sunset Drive Sewer Project (CT62I)	3,000
OPWC - WWTP Headworks Project (CT75H)	29,988
OPWC - Water Transmission Main Replacement (CT68O)	112,200
OPWC - Water Feed Line Replacement (CR24R)	17,898
OPWC - Combined Sewer Separation Area B (CR22P)	97,825
OPWC - Combined Sewer Separation Area A (CT60S)	167,620
OWDA - Water Treatment (4742)	197,182
OWDA - Water Replacement (5592)	52,629
OWDA - Sewer Replacement (5593)	38,624
OWDA - Combine Sewer Separation (5665)	216,639
OWDA - Combined Sew Sep Phase 2 ; Area B (6680)	1,142,002
OWDA - Combined Sew Sep Phase 3; Area A (7408)	819,546
OWDA - Combined Sewer Separation - Area F (8835)	460,570
OWDA - Asset Management Plan (Drinking Water) (8234)	1,602
OWDA - Area E, Area G and Interceptor Improvements (9543)	68,356

We noted an OPWC loan for Sewer Separation Area F was not included on the prior listing of loans in the amount of \$249,500.

2. We inquired of management and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. We noted 2 receipts that were coded as debt proceeds in error. They included a CDBG grant in the total amount of \$33,290 and a contribution from Noble County in the amount of \$351,750. These items should have been recorded as Intergovernmental revenue in their appropriate funds. In addition, we determined OWDA loan #10011 proceeds of \$1,411 was not posted to the Village's system in 2022, and OWDA Loan #s 10011, 10222, and 10337 were either not posted to the Village's system or were not posted correctly in 2023 in the amounts of \$19,000, \$435,333 and \$288,006, respectively. Of these amounts, \$19,000 on loan #10111, \$8,500 on loan #10222 and \$ 185,700 on loan #10337 was posted as Intergovernmental revenue instead of loan proceeds. Additionally, we noted the payoffs for loan #9543 and #10111 were not posted to the Village's ledgers during 2023 in the amounts of \$426,833 and \$96,411 respectively. The loan payoffs should have been posted to Other Debt Proceeds and Principal Retirement. We added these to the summary we used in procedure 3. All debt agreed to the summary we used in procedure 3.

3. We obtained a summary of loans, debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedules to debt service fund payments reported in the Payment Register Detail Report. We noted an interest payment of \$386 was posted to Village's ledgers as a principal payment instead of an interest payment. We also compared the date the debt service payments were due to the date the Village made the payments. We noted the OWDA payments due on 1/1/2022 were not wired from the bank until the next business day due to 1/1/2022 being on a Saturday, but no late charges were assessed to the Village.

Debt (Continued)

4. For new debt issued during 2023 and 2022, we inspected the debt legislation and resolution/ ordinance which stated the Village must use the proceeds for the sewer project. We inspected the on-behalf payment payees and noted payments were made to contractors working on the sewer projects. We found no exceptions.

Payroll Cash Disbursements

1. We selected 1 payroll check for 5 employees from 2023 and 1 payroll check for 5 employees from 2022 from the Wage Withholdings 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 code 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 selected 3 new employees and Council Members from 2023 and 3 new employees and Council Members from 2022 and:
 - a. We inspected the employees'/Council Members' personnel files 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, 2023 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 2023. 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)	01/31/2024	12/01/2023	\$4,449	\$4,449
		12/11/2023	833	833
		12/15/2023	4,504	4,504
		12/29/2023	4,343	4,343
State income taxes	01/15/2024	01/05/2024	\$2,904	\$2,904
Village of Caldwell income tax	01/31/2024	01/05/2024	\$1,153	\$1,153
OPERS retirement	01/30/2024	12/29/2023	\$8,606	\$8,606
		01/05/2024	18,966	18,966

We found no exceptions.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2023 and 10 from the year ended 2022 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 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 including outstanding encumbrances) 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, 2023 and 2022 for the General, Cemetery Endowment and Sewer Operating Funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the Cash Summary by Fund Report for the years ended December 31, 2023 and 2022 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 5 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 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 not included as required by Ohio Rev. Code § 149.43(E)(2).

Sunshine Law Compliance (Continued)

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 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 the Mayor and two Council members did not attend a three-hour Public Records Training, nor did they send a designee, for their terms ended December 31, 2023 as required by Ohio Rev. Code § 109.43(B).
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) except for the purpose of the executive session held during the November 2023 meeting did not correlate with one of the matters listed in Ohio Rev. Code § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.

Contract Compliance

1. We inspected the Payment Register and identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected 1 contract subject to competitive bidding requirements for 2023 and 1 for 2022 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 § 731.141.
 - 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 §§ 731.141 and 7.16. 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, 2023 and 2022 in the Hinkle system. We found no exceptions.

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

November 27, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF CALDWELL

NOBLE 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 12/17/2024

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