



**VILLAGE OF NORTH HAMPTON
CLARK COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2019 and 2018**

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KEITH FABER



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Village Council
Village of North Hampton
250 W. Clark Street, P.O. Box 457
North Hampton, Ohio 45349

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of North Hampton, Clark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2018 through December 31, 2019. 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 North Hampton is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

July 28, 2020

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VILLAGE OF NORTH HAMPTON
CLARK COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 30, 2020

Village of North Hampton
Clark County
250 W. Clark Street, P.O. Box 457
North Hampton, Ohio 45349

We have performed the procedures enumerated below, which were agreed to by the Village Council, and Mayor and the management of the **Village of North Hampton**, Clark County (the Village) and the Auditor of State, on the receipts, disbursements and balances recorded in the Village's cash basis accounting records for the years ended December 31, 2019 and 2018 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, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village. The sufficiency of the procedures is solely the responsibility of the parties specified in this 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.

This report only describes exceptions exceeding \$10.

Cash

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2017 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2018 balances in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. We found no exceptions.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Cash (Continued)

3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 fund cash balances reported in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balances with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the December 31, 2019 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, to determine the debits were dated prior to December 31. We noted no exceptions.

Property Taxes and Intergovernmental Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State distribution Transaction Listing (DTL), and Clark County-Vendor Activity Report for 2019 and a total of five from 2018:
 - a. We compared the amounts from the above named reports to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We inspected the Revenue Ledger to confirm the receipt was allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Revenue Ledger to confirm 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 Ledger to determine whether it included two real estate tax receipts for 2019 and 2018. The Revenue Ledger included the proper number of tax receipts for each year.

Water and Sewer Fund

1. We selected 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2019 and 10 Water and Sewer Fund collection cash receipts from the year ended 2018 recorded in the Revenue Ledger and determined whether the:
 - a. Receipt amount per the Revenue Ledger agreed to the amount recorded to the credit of the customer's account in the Sales by Customer Detail. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Sales by Customer Detail Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit period. We found no exceptions.
 - c. Receipt was posted to the proper fund(s), and was recorded in the year received. We found no exceptions.
2. We observed the A/R Aging Summary report.
 - a. This report listed \$13,862 and \$6,438 accounts receivable as of December 31, 2019 and 2018, respectively.

Water and Sewer Fund (Continued)

- b. Of the total receivables reported in the preceding procedure, \$13,649 and \$5,902 were recorded as more than 90 days delinquent.
- 3. We observed the A/R adjustments report.
 - a. This report listed a total of \$0 and \$0 non-cash receipts adjustments for the years ended December 31, 2019 and 2018, respectively.
 - b. We selected all non-cash adjustments from 2019 and 2018, and observed that the Village Council approved each adjustment. There were no non-cash adjustments in 2019 and 2018.

Debt

- 1. From the prior agreed-upon procedures documentation, we observed the following bonds and loans were outstanding as of December 31, 2017. These amounts agreed to the Villages January 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2017:
USDA- Sewer Loan	\$839,000
OWDA#3772- Water Treatment Plant	\$640,594
Security Bank- Sewer Operating Loan	\$12,099
OWDA#4276- Sewer Extension	\$688,068
OWDA#4547- Water Extension To NW	\$1,182,278
OWDA#4817- Water Line Extension (Sm/CC)	\$653,129
OWDA#5999- Water Tower Repairs	\$101,007
Security Bank- Water Operating Bond	\$42,858

- 2. We inquired of management, and inspected the Revenue Ledger and Appropriation Ledger for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
- 3. We obtained a summary of bond, lease, and loan debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedules to General, Water Operating, and Sewer Operating Fund payments reported in the Appropriation Ledger. We also compared the date the debt service payments were due to the date the Village made the payments. We noted that the Village posted each Ford Motor Credit loan payment all to principal in 2019, over posting principal and under posting interest by \$1,437. The payments were also incorrectly posted as Capital Outlay rather than Debt Service. We found no other exceptions.
- 4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General Fund per the Revenue Ledger. We noted the Village did not record \$43,098 to Other Debt Proceeds for the Ford Motor Credit lease-purchase.
- 5. For new debt issued during 2019 and 2018, we inspected the debt legislation, which stated the Village must use the proceeds to police car. We inspected the Appropriation Ledger and observed the Village purchased a police car in March 2019.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Payroll Ledger 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 the posting was reasonable based on the employees' duties as documented in the minute record or as required by state statute. We also 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, 2019 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 of 2019. 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, 2020	January 15, 2020	\$1,217.69	\$1,217.69
State income taxes	January 31, 2020	January 22, 2020	\$730.39	\$730.39
School income tax	January 31, 2020	January 22, 2020	\$85.53	\$85.53
OPERS retirement	January 30, 2020	January 28, 2020	\$2,188.60	\$2,188.60
City of Kettering income tax	January 31, 2020	January 22, 2020	\$149.83	\$149.83

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Appropriation Ledger for the year ended December 31, 2019 and 10 from the year ended 2018 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 Appropriation Ledger 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 Section 5705.41(D). We found no exceptions.

Mayors Court Transactions and Cash Balances

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2019 and December 31, 2018 to the Mayor's Court Fund balance reported in the Combined Statement of Receipts, Disbursements, and Changes in Fund Balances. The balances agreed.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2019 and 2018 listing of unpaid distributions as of each December 31. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balance with the Mayor's Court financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected all deposits in transit from the December 31, 2019 bank reconciliation:
 - a. We traced each deposit to the credit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We agreed these deposits' amounts to the court's cash book. Each deposit in transit was recorded as a December receipt for the same amount recorded in the reconciliation.
6. We selected five cases from the court cash book and agreed the payee and amount posted to the:
 - a. Duplicate receipt book.
 - b. Docket, including comparing the total fine paid to the judgment issued by the judge (i.e. mayor)
 - c. Case file.

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

7. From the cash book, we selected one month from the year ended December 31, 2019 and one month from the year ended 2018 and determined whether:
 - a. The monthly sum of fines and costs collected for those months agreed to the amounts reported as remitted to the Village, State, or other applicable government in the following month. We found no exceptions.
 - b. The totals remitted for these two months per the cash book agreed to the returned canceled checks. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the cash book.

Compliance – Budgetary

1. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018 for the General, Street Construction, Maintenance, and Repair, and Water Operating Funds, as recorded in the Appropriation Status Report. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the 2019 and 2018 Revenue Ledger and Appropriation Ledger for evidence of interfund transfers exceeding \$1,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017).

Compliance – Budgetary (Continued)

3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2019 and 2018 for negative cash fundⁱ balance. Ohio Rev. Code Section 5705.10(I) 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 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 total population of public records requests from the engagement period and inspected each request to determine 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)
9/12/2018	9/18/2018	Prompt and Reasonable	6
9/11/2019	9/23/2019	Prompt and Reasonable	12
12/10/2019	12/10/2019	Prompt and Reasonable	0

3. We inquired with Village management and determined that the Village did not have any denied public records requests during the engagement period.
4. We inquired with Village management and determined that the Village did not have any public records requests with redactions during the engagement period.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. We inspected Public Records Training Certificates 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.

Sunshine Law Compliance (Continued)

11. 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.
12. 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.
13. 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 Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code Section 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, 2019 and 2018 in the Hinkle system. There were no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, 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.

This report is to provide 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, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

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Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NORTH HAMPTON

CLARK 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 8/11/2020

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

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