



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of St. Henry
Mercer County
371 North Linn Street
PO Box 410
St. Henry, Ohio 45883

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of the Village of St. Henry (the Village), on the receipts, disbursements and balances recorded in the Village's cash basis accounting records for the year ended December 31, 2019 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 year ended December 31, 2019 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 bank reconciliation. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2018 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the total per the bank reconciliation to the total of the December 31, 2019 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 confirmed the December 31, 2019 bank account balance with the Village's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected 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. There were no exceptions.

Property Taxes and Intergovernmental

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's Audit Trail by Account Report for 2019:
 - 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 Sections 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 2019. The Receipt Detail Report included the proper number of tax receipts for the year.

Income Tax Receipts

1. We selected five income tax returns filed during 2019.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the Income Tax Payment Journal. The amounts agreed.
 - b. We compared the Income Tax Payment Journal total from procedure a. to the amount recorded as income tax receipts in the Receipt Detail Report for that date. The amounts agreed.
2. We compared the date of the receipts to the date the receipt was posted in the Receipt Detail Report to determine whether the receipts were recorded in the year received. We found no exceptions.
3. We selected five income tax refunds from 2019.
 - 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. No exceptions were found.
 - c. We observed the refunds were paid from the General Fund, as is required.

Water and Sewer Fund

1. We selected 10 Water, Sewer, Water Improvement, and Wastewater Improvement funds collection cash receipts from the year ended December 31, 2019 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 Daily Cash Receipts Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Billing Journal for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit 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 – By Account #.
 - a. This report listed \$52,959 of accounts receivable as of December 31, 2019.

- b. Of the total receivables reported in the preceding procedure, \$429 was recorded as more than 90 days delinquent.
3. We observed the Daily Cash Receipts Journal.
- a. This report listed a total of \$1,465 non-cash receipts adjustments for the year ended December 31, 2019.
 - b. We selected five non-cash adjustments from 2019 and observed that the Fiscal Officer or 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, 2018. These amounts agreed to the Village's January 1, 2019 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2018:
OPWC – WWTP Loan	\$89,632.50
OPWC Loan – Parkview and Willow St.	\$369,336.92
St. Henry Bank – Reier Property Loan	\$650,802.58
Total	\$1,109,772.00

2. We inquired of management, and inspected the Receipt Detail Report and Payment Register Detail Report for evidence of debt issued during 2019 or debt payment activity during 2019. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan debt activity for 2019 and agreed principal and interest payments from the related debt amortization schedules to the Water Improvement, Wastewater Improvement, and General funds debt service 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 found one instance where the debt service payment was made after the due date.
4. For new debt issued during 2019, we inspected the debt legislation, which stated the Village must use the proceeds to purchase land. We inspected the Payment Register Detail Report and observed the Village purchased land in October of 2019.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 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 code to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files. 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 during 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	December 16, 2019	\$2,063.24	\$2,063.24
State income taxes	January 15, 2020	December 27, 2019	\$1,021.33	\$1,021.33
Village of St. Henry income tax	January 31, 2020	December 27, 2019	\$536.41	\$536.41
OPERS retirement	January 30, 2020	December 27, 2019	\$10,027.65	\$10,027.65
OP&F retirement	January 31, 2020	December 27, 2019	\$3,699.41	\$3,699.41

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2019 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 Section 5705.41(D). We found five instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. Ohio Rev. Code 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 year ended December 31, 2019 for the General, Parks and Recreation, and Sewer Operating fund, as recorded in the Appropriation Status Report. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the 2019 Revenue Status Report and Appropriation Status Report for evidence of interfund transfers 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.
3. We inspected the Fund Ledger Report for the year ended December 31, 2019 for negative cash fund balances. Ohio Rev. Code Section 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 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 all 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. We found no exceptions.
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 has a records retention policy, and observed that it is readily available to the public. We found no exceptions.
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager. We found no exceptions.
7. We inspected the Village's policy manual and determined the public records policy was included. 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. 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 individual training certificates and determined whether each elected official (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office. We found no exceptions.
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 are to be held. We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period 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 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 year ended December 31, 2019 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 year ended December 31, 2019, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

April 29, 2020

OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF ST. HENRY

MERCER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 12, 2020**