

**VILLAGE OF SEVEN MILE**  
*BUTLER COUNTY, OHIO*

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Seven Mile  
201 High Street  
Seven Mile, Ohio 45062

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Seven Mile, Butler County, prepared by Bastin & Company, LLC, for the period January 1, 2019 through December 31, 2020. 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 Seven Mile 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 14, 2021

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# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Village of Seven Mile  
Butler County  
201 High Street  
Seven Mile, Ohio 45062

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of the Village of Seven Mile (the Village) and the Auditor of State, on the receipts, disbursements and balances recorded in the Villages cash basis accounting records for the years ended December 31, 2020 and 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 years ended December 31, 2020 and 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, 2020 and December 31, 2019 bank reconciliations. 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 prior year audited statements. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2019 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 and 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 observed the year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balance to the amounts appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2020 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statements. 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. 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 DLTs for 2020 and a total of five from 2019:
  - a. We compared the amount from the above named reports to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We inspected the Receipt Register 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 Register 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 two real estate tax receipts for 2020 and 2019. The Receipt Register Report included the proper number of tax receipts for each year.

## **Other Receipts**

1. We selected 10 other receipts from the year ended December 31, 2020 and 10 other receipts from the year ended 2019 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 Works Operating Fund**

1. We selected 10 Water Works Operating Fund collection cash receipts from the year ended December 31, 2020 and 10 Water Works Operating Fund collection cash receipts from the year ended 2019 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 Account History Report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Account History Report 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 fund, and was recorded in the year received. We found no exceptions.
2. The Village provides water utilities to its customers. The Village does have an accounts receivable system, however, it only has the capability of viewing the current accounts receivable and not historic data.
3. We observed the billing detail history-credits only report.
  - a. This report listed a total of \$54,211 and \$37,402 non-cash receipts adjustments for the years ended December 31, 2020 and 2019, respectively.
  - b. We selected five non-cash adjustments from 2020 and five non-cash adjustments from 2019, and observed that the Board of Public Affairs approved each adjustment.

**Debt**

1. From the prior audit documentation, we observed the following loans were outstanding as of December 31, 2018. These amounts agreed to the Villages January 1, 2019 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2018:
OWDA Loan #2870	\$19,716
OWDA Loan #3056	10,310
OWDA Loan #2871	2,557

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt agreed to the summary we used in procedure 3. There were no new debt issuances during 2020 or 2019.
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 Works Operation Fund 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 no exceptions.

**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2020 and 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-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.
  - 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 minute records. 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, 2020 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 2020. 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, 2021	January 24, 2021	\$770.78	\$770.78
State income taxes	January 15, 2021	January 24, 2021	32.83	32.83
OPERS retirement	January 30, 2021	January 24, 2021	908.48	908.48

As stated above, the Village did not remit State income tax by the required date.

## Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2020 and 10 from the year ended 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 no exceptions.

## Mayors Court Transactions and Cash Balances

1. We recalculated the December 31, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2020 and December 31, 2019 to the Mayor's Court Fund balance reported in the Fund Status Reports. We noted the Village is not recording the Mayor's Court Fund balance in the accounting system. The reconciled balance agreed to amounts reported on the financial statements.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2020 and 2019 listing of unpaid distributions as of each December 31. The amounts agreed.
4. We observed the December 31, 2020 bank account balance on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected three deposits in transit from the December 31, 2020 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, 2020 and one month from the year ended 2019 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, 2020 and 2019 for the General, Street Construction and Maintenance and Water Works Operating fund, as recorded in the Comparison of Disbursements and Encumbrances with Expenditure Authority Report. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the Cash Summary by Fund Report for the years ended December 31, 2020 and 2019 for negative cash fund balance. 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 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:
  - a. The Village did not have any completed public records requests during the engagement period.
  - 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) and 149.43(B)(3). 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.
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 inquired with Village management to determine 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). Village management indicated that proper training was obtained by a designee, however, the supporting training certificate for the designee could not be provided.

9. We inquired with Village management regarding public notices for the public meetings held during the engagement period to determine whether 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). Village management indicated that notices are posted in several places within the Village, however, past notices are discarded when new notices are posted and could not be provided.
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 Section 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)**

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 evaluated and documented their compliance with the CARES Act three-prong test. We then selected five 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 inquired with management and inspected the Appropriation Ledgers Report to determine the local government did not have an unencumbered balance of money to pay back to the county treasurer. 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, 2020 and 2019 in the Hinkle system. There were 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 Section 507.12 and 733.81. The Fiscal Officer obtained 6.5 of the required 12 hours of training.

3. For all credit card accounts we obtained:

- copies of existing internal control policies,
- a list of authorized users, and
- a list of all credit card account transactions.

- a. We inspected the established policy obtained above and determined it is:
- i. in compliance with the HB 312 statutory requirements, and
  - ii. not properly implemented by the entity.

The Village's Ordinance 2019-12 adopted a credit card policy that requires the custody and control model for credit card control as outlined in Auditor of State Bulletin 2018-003. The policy requires employees to sign out credit cards for individual use from the fiscal officer. This policy has not been properly instituted as employees approved for credit card use are issued individual cards. The actual credit cards are maintained by the employee and are not under the control of the fiscal officer prior to their use.

- b. We selected 1 credit card transaction from each account for testing. For selected transactions we inspected documentation to determine that:
- i. Use was by an authorized user within the guidelines established in the policy, and
  - ii. Each transaction was supported with original invoices and for a proper public purpose.

We found no exceptions other than the condition described in a. above.

- c. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
- i. No unpaid beginning balance was carried forward to the current billing cycle,
  - ii. Ending statement balance was paid in full, and
  - iii. Statement contained no interest or late fees.

We found 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, 2020 and 2019, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

*Bastin & Company, LLC*

Cincinnati, Ohio  
July 7, 2021

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF SEVEN MILE**

**BUTLER 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 9/28/2021**

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](http://www.ohioauditor.gov)