



OHIO AUDITOR OF STATE
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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 (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 and Investments

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for each opinion unit recorded in the Cash Summary by Fund Report to the December 31, 2019 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2020 balances in the Cash Summary by Fund Report. We found the January 1, 2021 beginning fund balance recorded in the Cash Summary by Fund Report was \$5,716 more than the fund balance recorded in the December 31, 2020 Cash Summary by Fund Report. This was due to a check written in December 2020 and outstanding at December 31, 2020, that was voided in February 2021 for \$5,716.

Cash and Investments (Continued)

3. We agreed the 2021 and 2020 bank reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2021 and 2020 to the total fund cash balances reported in the Fund Status Report and the financial statements filed by the Village in the Hinkle System. We found the adjusted UAN balance for December 31, 2020 was \$21,735 less than the total fund cash balances per the Fund Status Report and the financial statements filed in the HINKLE System. This was due to a payroll deducted from the bank a day early due to a holiday.
4. We confirmed the December 31, 2021 bank account balances with the Village's financial institutions. We noted the confirmed balances were \$82,029 less than the amounts appearing in the December 31, 2021 bank reconciliation due to investment accounts being carried on Village books at a higher amount than cost. The Village made the fund balance adjustment on October 13, 2022 to adjust the investment accounts to cost.
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 selected all reconciling credits (such as deposits in transit) from the December 31, 2021 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Receipts Register and determined they were dated prior to December 31. We found no exceptions.
7. We inspected the Fund Status Report to determine whether the Finding For Adjustment identified in the prior audit report, due from the Sewer Construction and Replacement Fund and Water Revenue Bond Retirement Fund, payable to the Water Works Construction Fund and Sewer Revenue Bond Retirement Fund, was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions.
8. We inspected investments held at December 31, 2021 and December 31, 2020 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14 or 135.144. 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 five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Listing (DTL), and the County Auditor's Cross Reference 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 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 §§ 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.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (Continued)

2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2021 and 2020. 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 Water Development Authority (OWDA) and Ohio Public Works Commission (OPWC) to the Village during 2020 with OWDA and OPWC. We noted one receipt in the amount of \$2,465 from OWDA for principal forgiveness that was not posted to the Village's revenue and appropriation ledgers.
 - a. We inspected the Receipt Register Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Income Tax Receipts

1. We selected five income tax returns filed during 2021 and five from 2020.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the Batch Receipt Report. The amounts agreed.
 - b. We compared the cash register tape total from procedure a. to the amount recorded as income tax receipts in the Receipt Register Report for that date. The amounts agreed.
2. We compared the date of the receipts to the date the receipts was posted in the Receipt Register Report to determine whether the receipts were recorded in the year received. We found no exceptions.
3. We selected five income tax refunds from 2021 and five from 2020.
 - 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 Tax Clerk on each of the refunds. We found no exceptions.
 - c. We observed the refunds were paid from the General Fund as is required.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2021 and 10 other receipts from the year ended 2020 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 fund, 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, 2021 and 10 Water and Sewer Fund collection cash receipts from the year ended 2020 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 Billing Journal. The amounts agreed.
 - b. Amount charged for the related billing period:

Water and Sewer Fund (Continued)

- 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 engagement period multiplied by the consumption amount recorded for the billing period. We found no exceptions.
 - c. Receipt was posted to the proper fund, and was recorded in the year received. We found no exceptions.
2. We observed the Aging Report.
 - a. This report listed \$5,398 and \$6,677 of accounts receivable as of December 31, 2021 and 2020, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$523 and \$567 were recorded as more than 90 days delinquent.
 3. We observed the Transaction Batch Edit List Report:
 - a. This report listed a total of \$7,860 and \$5,814 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 audit documentation, we observed the following bonds and loans 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.

Issue	Account	Principal outstanding as of December 31, 2019:
Berkadia Mortgage Revenue Bonds	N/A	\$154,600
OPWC – Sewer Replacement	CR15G	34,555
OPWC – GAC Water Treatment Project	CR22J	135,000
OPWC – Sunset Drive Sewer Project	CT62I	4,875
OPWC – WWTP Headworks Project	CT75H	48,730
OPWC – Water Transmission Main Replacement	CT68O	137,700
OPWC – Water Feed Line Replacement	CR24R	20,984
OPWC – Combined Sewer Separation Area B	CR22P	114,129
OPWC – Combined Sewer Separation Area A	CT60S	184,054
OWDA – Water Treatment	4742	212,812
OWDA – Water Replacement	5592	61,027
OWDA – Sewer Replacement	5593	44,787
OWDA – Combined Sewer Separation	5665	252,745
OWDA – Combined Sewer Separation Phase 2, Area B	6680	1,264,359
OWDA – Combined Sewer Separation Phase 3, Area A	7408	916,846
OWDA – Sewer Separation Area F	7943	129,940
OWDA – Asset Management Plan (Drinking Water)	8234	(882)

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail 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.

Debt (Continued)

3. We obtained a summary of bonds and loans debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedules to Water Revenue Bond Retirement and Sewer Revenue Bond Retirement funds' payments reported in the Payment Register Detail Report. We found no exceptions. We also compared the date the debt service payments were due to the date the Village made the payments. We found for 2021 one debt payment was made 12 days after the date due according to the amortization schedule and for 2020 one debt payment was made 44 days after the date due and one debt payment was made 23 days after the date due according to the amortization schedules.
4. We agreed the amount of debt proceeds received for 2021 and 2020 from the debt documents to amounts recorded in the Water Works Construction and Sewer Construction and Replacement funds per the Receipt Register Report. We determined OWDA loan #8786 payoff of \$68,356 by OWDA loan #9543 was not posted to the Village's ledgers during 2021. We determined OWDA loan #7943 payoff of \$132,720 by OWDA loan #8835 was not posted to the Village's ledgers during 2020. The loan payoffs should have been posted to Other Debt Proceeds and Principal Retirement. We also determined \$89,437 in OWDA loan disbursements were posted to Intergovernmental instead of Other Debt Proceeds for OWDA loan #8835 during 2020.
5. For new debt issued during 2021 and 2020, we inspected the debt legislation, which stated the Village must use the proceeds for water and sewer improvements. We noted during 2021 there were 17 on-behalf disbursements and during 2020, there were 13 on-behalf disbursements to contractors via OWDA for the water and sewer improvement projects.

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 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).
 - 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 minute record. 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:

Payroll Cash Disbursements (Continued)

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 31, 2021	\$4,379	\$4,379
State income taxes	January 15, 2022	January 10, 2022	\$2,532	\$2,532
Village of Caldwell income tax	January 15, 2022	January 12, 2022	\$967	\$967
OPERS retirement	January 30, 2022	January 21, 2022	\$17,507	\$17,507

We found no exceptions.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Register Detail 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 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 noted one instance 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 § 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 § 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, Water Works Construction and Water Revenue Bond Retirement fund 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, 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 inquired with Village management and determined that the Village did not have any completed public records requests during the engagement period. The Village did not have any denied public records requests during the engagement period. 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). 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 noted the Clerk/Treasurer and four Council members did not attend a certified three-hour Public Records Training for their term ended March 31, 2020 and December 31, 2021, respectively, 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).
 - 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 non-payroll 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 § 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 inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the clerk treasurer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. We noted the Clerk-Treasurer did not complete the ethics training for her term ended March 31, 2020.

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

October 17, 2022

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 11/10/2022

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