



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Bellefontaine-Logan County Finance and Development Authority  
Logan County  
100 South Main Street  
Bellefontaine, Ohio 43311

We have performed the procedures enumerated below on the Bellefontaine-Logan County Finance and Development Authority's (the Authority) receipts, disbursements and balances recorded in the cash-basis accounting records for the years ended December 31, 2022 and 2021, and certain compliance requirements related to these transactions and balances, included in the information provided to us by the management of the Authority. The Authority is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Authority.

The Board of Trustees and the management of the Authority have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Authority's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2022 and 2021, 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

1. We recalculated the December 31, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2021 beginning fund balance recorded in the Balance Sheet to the December 31, 2020 balance in the documentation in the prior year basic audit working papers. We found no exceptions. We also agreed the January 1, 2022 beginning fund balance recorded in the Balance Sheet to the December 31, 2021 balance in the Balance Sheet. We found no exceptions.
3. We agreed the 2022 and 2021 bank reconciliation as of December 31, 2022 and 2021 to the total fund cash balances reported in the Balance Sheet and the financial statements filed by the Authority in the Hinkle System. The amounts agreed.

**Cash (Continued)**

4. We confirmed the December 31, 2022 bank account balances with the Authority's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022 bank reconciliation without exception..
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2022 bank reconciliation:
  - a. We traced each debit to the subsequent January and February bank statements. We found four of the reconciling debits cleared in January 2023, while one of the reconciling debits was still outstanding as of February 28, 2023.
  - 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.

**Intergovernmental and Other Confirmable Cash Receipts**

We selected the only receipt from the Logan County Vendor\_Detail Report from 2022.

- a. We compared the amount from the above report to the amount recorded in the Transactions by Account Report. The amounts agreed.
- b. We inspected the Transactions by Account Report to determine that these receipts were allocated to the proper fund. We found no exceptions.
- c. We inspected the Transactions by Account Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Other Receipts**

We selected 10 other receipts from the year ended December 31, 2022 and 10 other receipts from the year ended 2021 and:

- a. Agreed the receipt amount in the General Ledger 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 General Ledger to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

**Debt**

1. From the prior basic audit documentation, we observed the following bonds were outstanding as of December 31, 2020.
  - a. These amounts agreed to the Authority's January 1, 2021 balances on the summary we used in procedure 3.
  - b. We inspected the debt's final offering documents for all outstanding debt, and we confirmed the Authority was in compliance with the debt covenants listed below.

Issue	Principal outstanding as of December 31, 2020:	Debt Covenant
Economic Development Revenue Bonds	\$238,222	Sections 4 and 5 of the Bond Financing Agreement

2. We inquired of management and inspected the General Ledger for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. All debt agreed to the summary we used in procedure 3.

### Debt (Continued)

3. We obtained a summary of bond debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedule to the enterprise fund payments reported in the General Ledger. We also compared the date the debt service payments were due to the date the Authority made the payments. We found one principal and interest payment was incorrectly allocated by \$928. We found no other exceptions.
4. We agreed the amount of debt proceeds received for 2022 and 2021 from the debt documents to amounts recorded in the enterprise fund per the General Ledger. The amounts agreed.
5. For new debt issued during 2022 and 2021, we inspected the debt legislation, which stated the Authority must use the proceeds to finance the construction, equipping and installation of the residential fiber-optic network. We inspected the General Ledger and observed the Authority used the debt proceeds for expenses related to the construction, equipping and installation of the residential fiber-optic network (PeakFiber) during January 2021 through December 2022. We found no exceptions. The unspent balance of debt proceeds as of December 31, 2022 was \$315,559.

### Non-Payroll Cash Disbursements

We selected 10 disbursements from the Transactions by Account Report for the year ended December 31, 2022 and 10 from the year ended 2021 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 canceled check agreed to the check number, date, payee name and amount recorded in the Transactions by Account Report and to the names and amounts on the supporting invoices. We found an instance in 2022 where the Authority recorded a disbursement of \$483, but this was not confirmed to be received by the payee.
- 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 ten instances in 2022 and ten instances in 2021 where disbursements requiring certification were not certified 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 §§ 5705.28(B)(2) and 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, 2022 and 2021. Expenditures for 2021 exceeded total appropriations by \$22,774, contrary to Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B).
2. We inspected the Statement of Cash Flow for the years ended December 31, 2022 and 2021 for negative cash fund balance. Ohio Rev. Code § 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 Authority'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 Authority management and determined that the Authority did not have any completed public records requests during the engagement period.
3. We inquired whether the Authority 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 Authority'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 Authority's poster describing their Public Records Policy was displayed conspicuously in all branches of the Authority as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inquired with Authority management and determined that the Authority did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inquired with Authority management and determined that the Authority did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
9. We inspected the public notices for the public meetings held during the engagement period and determined the Authority 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.

### Other Compliance

Ohio Rev. Code § 117.38 requires the Authority to file their financial information in the HINKLE system within 150 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 Authority 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, 2022 and 2021 in the Hinkle system. We found no exceptions.

### Related Party Transactions

1. We inquired with management and identified the following Related Party Transactions:
  - a. Disbursements to CoverLink Insurance of \$1,318 in 2022 and \$415 in 2021.
  - b. Disbursements to Logan County Chamber of Commerce of \$19,800 in 2022 and \$12,257 in 2021.

We found no exceptions.

2. We confirmed the transactions with the other party. We found that for 2022, CoverLink Insurance confirmed receiving payments from the Authority for \$483 less than the payment amount the Authority recorded in the General Ledger.
3. We obtained supporting evidence for the Related Party Transactions identified in procedure 1. We found no exceptions.

We were engaged by the Authority 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 Authority'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 Authority 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

September 19, 2023





# OHIO AUDITOR OF STATE KEITH FABER



**BELLEFONTAINE-LOGAN COUNTY FINANCE AND DEVELOPMENT AUTHORITY**

**LOGAN 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 10/10/2023**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)