



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

Village of Warsaw  
Coshocton County  
331 East Main Street  
P.O. Box 399  
Warsaw, Ohio 43844

We have performed the procedures enumerated below on the Village of Warsaw's, Coshocton County, Ohio (the Village) 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 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, 2022 and 2021 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, 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 and Investments

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 balances plus fund balance adjustments posted for each opinion unit recorded in the Cash Summary by Fund Report to the December 31, 2020 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2022 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2021 balances in the Cash Summary by Fund Report. We found no exceptions.

### **Cash and Investments (Continued)**

3. We agreed the 2022 and 2021 bank reconciliation Adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2022 and 2021 to the total fund cash balances reported in the Cash Summary by Fund Report and the financial statements filed by the Village in the Hinkle System. No exceptions were noted at December 31, 2021. The amount on the bank reconciliation adjusted UAN Balances and Adjusted Bank Balances at December 31, 2022 was \$381 less than the Cash Summary by Fund Report and financial statements, due to an overpayment made on the Ohio Business Gateway in June 2022. The Village was reimbursed the \$381 on February 9, 2023.
4. We confirmed the December 31, 2022 bank account balances with the Village'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 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 the one reconciling credit (such as deposits in transit) from the December 31, 2022 bank reconciliation:
  - a. We traced the credit to the subsequent January bank statement. We found no exception.
  - b. We agreed the credit amount to the Receipt Register and determined it was dated prior to December 31. We found no exception.
7. We inspected investments held at December 31, 2022 and December 31, 2021 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14, 135.144 or 135.145. 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 and Intergovernmental Cash Receipts**

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, the State Distribution Transaction Listing (DTL), and the Coshocton County Audit Trail by Vendor Report for 2022 and a total of five from 2021:
  - 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 §§ 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 2022 and 2021. The Receipt Detail Report included the proper number of tax receipts for each year. We found no exceptions.

### **Cemetery and Park Charges for Services**

We selected 10 cash receipts for charges for services from the year ended December 31, 2022 and 10 cash receipts for charges for services from the year ended 2021 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Receipt Detail Report. The amounts agreed.
- b. Agreed the amount charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Receipt Detail Report to determine the receipt was posted to the proper account codes and was 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 recorded in the Receipt Export 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 Export Report to determine the receipt was posted to the proper funds and was recorded in the proper year. We found one receipt of \$9,875 recorded in the Park Fund that should have been recorded in the Water Fund. We brought this to management's attention. They corrected the Park Fund and Water Fund balances for this item. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.

### **Water and Sewer Fund Charges for Services**

1. We selected 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2022 and 10 Water and Sewer Fund collection cash receipts from the year ended 2021 from the utility stubs and recorded in the Payments / Utility Summary Report and determined whether the:
  - a. Receipt amount per the Payments / Utility Summary Report agreed to the amount recorded to the credit of the customer's account in the Billing Summary or Master Route Report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Billing Summary or Master Route Report 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, 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 Outstanding Balances Report.
  - a. This report listed \$4,664 and \$3,516 of accounts receivable as of December 31, 2022 and 2021, respectively.
  - b. Of the total receivables reported in the preceding procedure, no amounts were recorded as more than 90 days delinquent.

**Water and Sewer Fund Charges for Services (Continued)**

3. We observed the Credit Adjustments Report.
  - a. This report listed a total of \$2,747 and \$834 non-cash receipts adjustments for the years ended December 31, 2022 and 2021, respectively.
  - b. We selected five non-cash adjustments from 2022 and five non-cash adjustments from 2021, and observed that all of the adjustments had support as to why there was an adjustment made. The non-cash adjustments were not marked as approved. However, because we did not inspect all non-cash adjustments, our report provides no assurance regarding whether or not other similar errors occurred. The Village did have a written policy "Rules and Regulations for Water and Sewer" that addressed water shut-off policy in section XIII. However, it did not address the approval process when a billing is believed to be in error.

**Debt**

1. From the prior audit documentation, we observed the following bond was outstanding as of December 31, 2020.
  - a. This amount agreed to the Village's January 1, 2021 balance on the summary we used in procedure 3.
  - b. We inspected the final offering documents for the outstanding debt, and we confirmed the debt covenants did not have requirements that failing to follow the terms indicates possible outcome modification of the debt terms.

Issue	Principal outstanding as of December 31, 2020:
Park Facility Improvement Bonds, Series 2019	\$59,393

2. We inquired of management and inspected the Receipt Register Report and Payment Register Detail Report 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, except for the two Ohio Water Development Authority (OWDA) on behalf issuances. The Village entered into one loan with OWDA for Lead Service Line Replacement and one loan for Wastewater Treatment Plant Improvements. However, the loan activity was not recorded by the Village, resulting in unrecorded loan proceeds, project expenditures, principal payments and intergovernmental revenue in the amount of \$8,534 for 2022 for the Lead Service Line Replacement and unrecorded loan proceeds and project expenditures in the amount of \$22,232 for the Wastewater Treatment Plant Improvements for 2022.
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 parks fund payments reported in the Payment Export Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions. However, as noted in procedure 2 above, on-behalf payments on the OWDA Lead Service Line Replacement Loan were not recorded.
4. For new debt issued during 2022 and 2021, we inspected the debt legislation, which stated the Village must use the OWDA proceeds to perform the Lead Service Line Project and the other OWDA proceeds for the Sludge Removal Project. We inspected the minutes and the bid files, as well as inquiring with Village management and observed the Village properly spent the funds. Neither OWDA issuance has been fully expended. We found no exceptions.

**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2022 and one payroll check for five employees from 2021 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). 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 employees' personnel files and minute record. We found no exceptions.
  - c. We confirmed the payment was posted to the proper year. We found no exceptions.
  
2. We selected three new employees and Council Members from 2022 and three new employees and Council Members from 2021 and:
  - a. We inspected the employees' personnel files and minute record for the Retirement system, Federal, State & Local income tax withholding authorization. The state withholding form was missing for all six employees tested and the OPERS form was not located for the three employees tested in 2021. However, deductions were being withheld. Because we did not inspect all personnel files, our report provides no assurance regarding whether or not other similar errors occurred.
  - b. We agreed the items in a above to the Employee General Information Report. We found no exceptions, other than that noted in part a above.
  
3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2022 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 2022. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2023	December 30, 2022	\$1,414	\$1,414
State income taxes	January 15, 2023	December 30, 2022	\$330	\$330
OPERS retirement	January 30, 2023	December 30, 2022	\$3,149	\$3,149

We found no exceptions.

**Non-Payroll Cash Disbursements**

- We selected 10 disbursements from the Payment Export 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 returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Export 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.

### **Non-Payroll Cash Disbursements (Continued)**

- d. The fiscal officer certified disbursements requiring certification. We found two 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 § 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, 2022 and 2021 for the General, Street Construction Maintenance and Repair, and Parks funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the Appropriation Ledger Report for the Cemetery Endowment Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period. We found no exceptions.
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2022 and 2021 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.
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 inquired with Village management and determined that the Village did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
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.



### **Sunshine Law Compliance (Continued)**

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 inspected individual proof of attendance 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.
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.

### **Contract Compliance**

1. We inspected the Minutes/Appropriation Report and identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one contract over \$50,000 for 2022 and
  - a. We inspected the contract and other bids for the contracted expenditure and determined:
    - i. The Village accepted the lowest bid and met the requirements of Ohio Rev. Code § 735.05.
    - ii. No bid splitting occurred.
    - iii. No deliberate attempts to evade bid limitations occurred, such as successive contracts just under the bid amount, occurred.
    - iv. No apparent interest in the contract by a public official occurred.We found no exceptions.
  - b. We inspected the advertisements of the proposals for bids in the newspaper and determined they were made as required by Ohio Rev. Code § 731.14. We found no exceptions.

### Other Compliance

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, 2022 and 2021 in the Hinkle system. We found no exceptions.

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

July 28, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF WARSAW**

**COSHOCTON 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 8/10/2023**

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