



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF ELDORADO
PREBLE COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Eldorado
Preble County
160 North Main Street
Eldorado, Ohio 45321

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of the Village of Eldorado (the Village), on the receipts, disbursements and balances recorded in the Village's 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 and Investments

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 Cash Summary by Fund 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 Cash Summary by Fund Report to the December 31, 2019 balances in the Cash Summary by Fund 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 Cash Summary by Fund Report and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2020 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, 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 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. There were no exceptions.

6. We inspected the Fund Balance Adjustment Listing to determine whether the Findings For Adjustment identified in the prior audit report, due from the Other Capital Projects Fund, payable to the General Fund and due from the Street Construction Maintenance & Repair Fund, payable to the State Highway Fund and due from the Street Construction Maintenance & Repair Fund and State Highway Fund, payable to the Permissive Motor Vehicle License Tax Fund, were properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions.
7. We inspected investments held at December 31, 2020 and December 31, 2019 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted 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 Detail Expenditure Report 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 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 2020 and 2019. The Receipt Detail Report included the proper number of tax receipts for each year.

Water Operating, Sewer Operating, and Electric Operating Fund

1. We selected 10 Water Operating, Sewer Operating, and Electric Operating Fund collection cash receipts from the year ended December 31, 2020 and 10 Water Operating, Sewer Operating, and Electric Operating Fund collection cash receipts from the year ended 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 Utility Billing Trial Balance. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Utility Billing Trial Balance 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 Utility Billing Delinquent Report.
 - a. This report listed \$21,240.19 and \$22,252.26 of accounts receivable as of December 31, 2020 and 2019, respectively.
3. We observed the Utility Billing Trial Balance.
 - a. This report listed a total of \$(250.15) and \$128.07 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 Village's January 1, 2019 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2018:
OWDA Loan	\$164,536.61
OPWC CK22G (WTP) Loan	\$33,119.30
OPWC CK20Q (Steet) Loan	\$154,980

- 2. We inquired of management, and inspected the Receipt Detail Report and Payment Register Detail Report for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. There were no new debt issuances during 2020 or 2019.
- 3. We obtained a summary of loans debt activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedules to Water Operating Fund and Permissive Motor Vehicle License Tax 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 or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization. We agreed these items to the information used to compute gross and net pay related to this check. We found no exceptions.
 - c. 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. We found no exceptions.
 - d. 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 6, 2021	\$946.91	\$946.91
State income taxes	January 15, 2021	January 6, 2021	\$135.87	\$135.87
OPERS retirement	January 30, 2021	January 6, 2021	\$2,117.08	\$2,117.08

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 except as noted in "2" below.
 - 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 Treasurer 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.

2. Kroger Gas Points

Ohio Rev. Code Section 102.03(D) provides that no public official or employee shall use or authorize the use of the Village or influence of office or employment to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the public employee with respect to that person's duties. Additionally, Ohio Rev. Code Section 102.03(E) states that no public official or employee shall solicit or accept anything of value that is of such character as to manifest a substantial and improper influence upon the public employee with respect to that person's duties.

The term "anything of value" is defined to include money and every other thing of value. Discounts on future purchases and other things of value offered as reward program incentives are things of value. Personal Kroger Plus cards were used to make purchases from Kroger for the Village Fire Department during 2019 and 2020. The expenditures were for a proper public purpose and the items were purchased with Village funds. However, personal gas points were earned on these purchases. The Village should implement a policy for the use of personal reward cards while making Village purchases. Benefits earned on reward cards should be remitted to the Village. If the benefits are not remitted to the Village, the benefits are being used "in lieu of" salary as reportable taxable compensation.

Gift Cards, Etc.

The Ohio Supreme Court case of *State ex rel. McClure v. Hagerman*, 155 St. 320 (1951), along with Auditor of State Bulletin 2003-005 and Attorney General Opinion 82-006 set forth guidance as to the expenditure of funds for public purposes. The two criteria established under the Attorney General Opinion for determination of proper public purposes are that the expenditure is required for the general good of all inhabitants and the primary objective of the expenditure is to further a public purpose, even if an incidental private end is advanced. The decision of what constitutes a public purpose should be memorialized by a duly enacted ordinance or resolution by the Village Council that sets forth the policy of the Village that has prospective effect only.

During 2019 and 2020, the Village purchased a total of \$700 in gift cards and \$218.74 in toys to sponsor a family for Christmas.

The Council had not passed a formal policy regarding its views on the proper public purpose guidelines for the Village's expenditures. The Village should document Council approval prior to purchase and establish a policy to support such expenditures. Also, the Village should have the recipients sign a document acknowledging that they received the gift cards and toys.

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, Fire Disability and Pension, and Electric Operating Fund, as recorded in the Appropriation Status Report. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the 5 largest interfund transfers from the 2020 and 2019 Interfund Transfers Listing for compliance with Ohio Rev. Code Sections 5705.14 - .16. 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 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(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.

Compliance – American Municipal Power Joint Venture Debt Covenant Requirements

1. The Village is a member of Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Section 17(A) of the Joint Venture Agreement requires the Village's Electric Utility receipts, as defined, to be at least 110% of its OMEGA JV5 operating & maintenance plus debt service charges, as defined.

Using information from the Village's unadjusted receipts and disbursements ledger, we calculated the cash basis debt coverage for its OMEGA JV5 for the years ended December 31, 2020 and 2019.

For the year ended December 31, 2020, the ratio of the Village's Electric Utility receipts to OMEGA JV5 debt service disbursements was 8.4, meeting the Village's debt covenant obligation of 1.10 times set forth in Section 17(A) of the Joint Venture Agreement.

For the year ended December 31, 2019, this ratio was 7.2, thus meeting the Village's debt covenant obligation.

Exhibit JV5 presents the supporting calculations.

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 selected four public records requests from the engagement period and inspected each request to determine the following:
 - a. The Village was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). For two of the four public records requests selected for testing the Village did not respond to the request in accordance with their adopted policy. See the table below.

Date Received	Request	Date Request Fulfilled	Request	Policy Response Time (in Business days)	Actual Response Time (in Business days)
8/24/19		8/29/19		3	4
10/10/19		10/17/19		3	5
11/5/19		11/8/19		3	3
4/3/20		4/3/20		3	Same Day

- b. The Village provided an explanation for the denied request which included the legal authority to the requester as required by Ohio Rev. Code § 149.43(B)(3). We found no exceptions.
 - c. The Village did not have any public records requests with redactions during the engagement period.
3. We inquired with Village management and determined that the Village did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
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).
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 inspected individual training certificates 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 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) 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 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 Status 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 inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the Treasurer obtained the training required by Ohio Rev. Code Section 733.81. The Treasurer obtained the required training.
3. For all credit card accounts we obtained:
 - a list of all credit card account transactions.
 - a. We selected 1 credit card transaction from each account for testing. For selected transactions we inspected documentation to determine that:
 - i. Each transaction was supported with original invoices and for a proper public purpose.

We found no exceptions.

- b. 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.



Keith Faber
Auditor of State
Columbus, Ohio

March 16, 2021

AMP Ohio JV 5 Revenue Coverage Calculation
ELECTRIC FUND
VILLAGE OF ELDORADO
PREBLE COUNTY
Basis Of Accounting: Cash

Year
2020

Statement of Revenues, Expenses and Changes in Fund Balances-Operating Fund

Operating Revenues

Charges for Services		\$ 454,040
	Total Operating Revenues	\$ 454,040

Operating Expenses

Personal Services		\$ 38,933
Purchased Power AMP-Ohio (Including Gorsuch/JV5/JV2 Debt Service if recorded with Purch Pwr)		\$ 339,725
Materials & Supplies		\$ 13,419
	Total Operating Expenses	\$ 392,077
	Total Operating Income	\$ 61,963

Nonoperating Income/Expenses

Non Operating Income		\$ 1,544
Non Operating Expenses		\$ (3,948)
Net Nonoperating Revenue		\$ (2,404)

Transfers

Transfers - In		\$ -
Transfers - Out		\$ (16,911)
Net Transfers		\$ (16,911)

Fund Balance - January 1		\$ 274,038
Fund Balance - December 31		\$ 316,686

Calculation of Debt Coverage:

JV5

1	Operating Income (From Above)	\$ 61,963
2	Add back: JV5 Debt Service (If included above as Operating Expense)	\$ 7,533
3	JV2 Debt Service (If included above as Operating Expense)	\$ -
4	Other Electric System Debt Service (If included above as Operating Expense)	\$ -
5	Depreciation (GAAP) / Capital outlay (cash basis)	\$ 3,948
6	kWh Tax from General Fund Included in either Transfers In or Operating Income	\$ -
		\$ -
7	Adjusted Operating Income Available for Debt Service (L1+L2+L3+L4+L5+L6)	\$ 73,444
8	Debt: Omega JV5 Debt Service principal + interest	\$ 7,533
9	OMEGA JV2 Debt Service principal + interest	\$ -
10	Other Electric System Debt Service principal + interest	\$ -
		\$ -
11	Total Electric System Debt Service(L8+L9+L10)	\$ 7,533
12	Coverage (JV5 Covenants require 110% or 1.1 times coverage of all debt) (L7/L11)	9.7502

Note: The Fund Balance in a cash basis system is the Cash Balance.

1 Months Revenues (Average) [equals charges for services / 12]		\$ 37,837
Fund Balance		\$ 316,686
Months of Electric Fund Balance "in reserve" (i.e. on hand)		8.4

AMP Ohio JV 5 Revenue Coverage Calculation
ELECTRIC FUND
VILLAGE OF ELDORADO
PREBLE COUNTY
Basis Of Accounting: Cash

Year 2019

Statement of Revenues, Expenses and Changes in Fund Balances-Operating Fund

Operating Revenues

Charges for Services		\$ 456,971
	Total Operating Revenues	\$ 456,971

Operating Expenses

Personal Services		\$ 34,178
Purchased Power AMP-Ohio (Including Gorsuch/JV5/JV2 Debt Service if recorded with Purch Pwr)		\$ 339,786
Materials & Supplies		\$ 18,617
	Total Operating Expenses	\$ 392,581
	Total Operating Income	\$ 64,390

Nonoperating Income/Expenses

Non Operating Income		\$ 1,295
Non Operating Expenses		\$ (14,333)
Net Nonoperating Revenue		\$ (13,038)

Transfers

Transfers - In		\$ -
Transfers - Out		\$ (17,151)
Net Transfers		\$ (17,151)

Fund Balance - January 1		\$ 239,837
Fund Balance - December 31		\$ 274,038

Calculation of Debt Coverage:

JV5		
1	Operating Income (From Above)	\$ 64,390
2	Add back: JV5 Debt Service (If included above as Operating Expense)	\$ 7,531
3	JV2 Debt Service (If included above as Operating Expense)	\$ -
4	Other Electric System Debt Service (If included above as Operating Expense)	\$ -
5	Depreciation (GAAP) / Capital outlay (cash basis)	\$ 14,333
6	kWh Tax from General Fund Included in either Transfers In or Operating Income	\$ -
		\$ -
7	Adjusted Operating Income Available for Debt Service (L1+L2+L3+L4+L5+L6)	\$ 86,254
8	Debt: Omega JV5 Debt Service principal + interest	\$ 7,531
9	OMEGA JV2 Debt Service principal + interest	\$ -
10	Other Electric System Debt Service principal + interest	\$ -
		\$ -
11	Total Electric System Debt Service(L8+L9+L10)	\$ 7,531
12	Coverage (JV5 Covenants require 110% or 1.1 times coverage of all debt) (L7/L11)	11.4532

Note: The Fund Balance in a cash basis system is the Cash Balance.

1 Months Revenues (Average) [equals charges for services / 12]		\$ 38,081
Fund Balance		\$ 274,038
Months of Electric Fund Balance "in reserve" (i.e. on hand)		7.2

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ELDORADO

PREBLE 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 4/1/2021

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This report is a matter of public record and is available online at
www.ohioauditor.gov