

VILLAGE OF LAFAYETTE
ALLEN COUNTY, OHIO

AGREED-UPON PROCEDURES

**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPARepor@ohioauditor.gov
(800) 282-0370

Village Council
Village of Lafayette
P.O. Box 7184
225 E. Sugar Street
Lafayette, Ohio 45854

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Lafayette, Allen County, prepared by Julian & Grube, Inc., for the period January 1, 2020 through December 31, 2021. 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 Lafayette is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 20, 2022

This page intentionally left blank.

Independent Accountants' Report on Applying Agreed-Upon Procedures

Village of Lafayette
Allen County
P.O. Box 7184
225 E. Sugar Street
Lafayette, Ohio 45854

We have performed the procedures enumerated below on the Village of Lafayette'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. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. 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, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2019 balances in the documentation in the prior year Agreed-Upon Procedures working papers. 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 no exceptions.
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 Cash Summary by Fund Report and the financial statements filed by the Village in the Hinkle System. The amounts agreed, except for the 2020 Hinkle submission which showed an ending cash balance of \$300,793 compared to the bank reconciliation which showed adjusted balances of \$278,050, a difference of \$22,743. This difference relates to a Ohio Water Development Authority (OWDA) debt payment that was automatically withdrawn from the Village's bank account on December 30, 2020, but was not recorded by the Village until January 7, 2021.

4. We observed the December 31, 2021 year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balance to the amount appearing in the December 31, 2021 bank reconciliation without exception.
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.

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 Allen County Auditor Vendor Invoice List 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 Revenue Ledger Report. The amounts agreed.
 - b. We inspected the Revenue Ledger 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 Revenue Ledger 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 Revenue Ledger Report to determine whether it included two real estate tax receipts for 2021 and 2020. The Revenue Ledger Report included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the total amount paid from Allen County to the Village during 2020 with the County. We found no exceptions.
 - a. We inspected the Revenue Ledger Report to determine whether these receipts were allocated to the proper funds. We found the Village recorded \$19,140 of the receipt into the Street Construction Maintenance & Repair Fund, which should have been recorded in the General Fund.
 - b. We inspected the Revenue Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Sewer Fund

1. We selected 10 Sewer Fund collection cash receipts from the year ended December 31, 2021 and 10 Sewer Fund collection cash receipts from the year ended 2020 recorded in the Revenue Ledger Report and determined whether the:
 - a. Receipt amount per the Revenue Ledger Report agreed to the amount recorded to the credit of the customer's account in the Daily Cash Receipts Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 1. Agreed with the debit to accounts receivable in the Daily Cash Receipts Journal for the billing period. We found no exceptions.
 2. Complied with rates in force during the engagement period. 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 Aged Customer 90 Days Report – By Account #.
 - a. This report listed \$3,289.59 and \$254.10 of accounts receivable as of December 31, 2021 and 2020, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$179.74 and \$11.00 were recorded as more than 90 days delinquent.
3. We observed the Daily Cash Receipts Journal.

- a. This report listed a total of \$275.00 and \$905.73 non-cash receipts adjustments for the years ended December 31, 2021 and 2020, respectively.
- b. We selected all non-cash adjustments from 2021 and all non-cash adjustments from 2020, and observed that the Council President approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loans were outstanding as of December 31, 2019. These amounts did not agree to the Village's January 1, 2020 balances on the summary we used in procedure 3 as a summary was not prepared.

Issue	Principal outstanding as of December 31, 2019:
OWDA - #7593	\$973,822
OWDA - #7079	28,121
OWDA - #6912	43,820
OWDA - #4143	32,068
OPWC - #CM10R	11,866
Liberty National Bank Loan - Truck	34,775

2. We inquired of management, and inspected the Revenue Ledger Report and Appropriation Ledger Report for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. As noted in Step #3 below, the Village did not prepare a summary reporting beginning balances, proceeds and payments during 2021 or 2020. The Village did include a schedule reporting outstanding balances at December 31, 2021 and December 31, 2020 in the Hinkle filed reports indicating no new debt issuances.
3. We did not obtain a summary of loans debt activity for 2021 and 2020, as the Village did not prepare a summary schedule. The Village did prepare a year end summary of debt outstanding at December 31, 2021 and December 31, 2020 as reported in the Hinkle system. The balance reported at December 31, 2021 was understated by \$50,083 and the balance reported at December 31, 2020 was understated \$22,055. A large part of these understatements were due to not listing a loan through Liberty National Bank in either years' Hinkle submission. Also, for 2020 there was a timing discrepancy between when payment was made to OWDA and when the Village posted the payment to its system. We did agree principal and interest payments from the related debt amortization schedules to the General Fund and the Enterprise Debt Service Fund payments reported in the Appropriation Ledger 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 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 several of the employees' personnel files were missing some of the required withholding authorization forms.
 - 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 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:

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	January 31, 2022	\$2,302.41	\$2,302.41
State income taxes	January 31, 2022	January 31, 2022	\$285.24	\$285.24
OPERS retirement	January 30, 2022	January 10, 2022	\$1,238.00	\$1,238.00

We found no exceptions.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Appropriation Ledger 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 Appropriation Ledger 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 found three 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 appropriation (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2021 and 2020 for the General, Street Construction Maintenance & Repair, and Sewer Operating fund as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected interfund transfers from 2021 and 2020 Revenue Ledger Reports and Appropriation Ledger Reports for compliance with Ohio Rev. Code §§ 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, 2021 and 2020 for negative cash fund balances. 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 selected the one public records request from the engagement period and inspected the 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). We found no exceptions.
 - 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). 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. We noted the Village has not established a Records Commission.
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.

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, 2021 and 2020 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.



Julian & Grube, Inc.
June 3, 2022

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LAFAYETTE

ALLEN 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 8/2/2022

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