



OHIO AUDITOR OF STATE
KEITH FABER



**CITY OF VAN WERT
VAN WERT COUNTY
FOR YEAR ENDED DECEMBER 31, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE FOR THE U.S. DEPARTMENT OF TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM (CSLFRF) REQUIREMENTS FOR AN ALTERNATIVE CSLFRF COMPLIANCE EXAMINATION ENGAGEMENT

City of Van Wert
Van Wert County
515 E. Main St.
Van Wert, Ohio 45891

We have examined the City of Van Wert's, Van Wert County (the City's) compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) section of the 2022 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended December 31, 2022. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the specified requirements referenced above during the year ended December 31, 2022.

City of Van Wert
Van Wert County

Independent Accountant's Report on Compliance for the U.S. Department of Treasury Coronavirus State
and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on the City's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the City's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards* and that finding is described in the attached Schedule of Findings.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the City complied, in all material respects with the specified requirements referenced above during the year ended December 31, 2022. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

August 1, 2023

**CITY OF VAN WERT
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022**

FINDING NUMBER 2022-001

Noncompliance – Finding for Recovery – Repaid Under Audit

2 CFR § 200.470(a)(1) states taxes that a governmental unit is legally required to pay are allowable.

Ohio Rev. Code § 5739.02(B)(1) exempts sales to the state or any of its political subdivisions from sales tax.

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Auditor of State Bulletin 2003-005 indicates governmental entities may not make expenditures of public monies unless they are for a valid public purpose. The Bulletin indicates the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

Due to deficiencies in the City’s procedures over compliance, the City used American Rescue Plan Act - State and Local Fiscal Recovery Fund program monies on the purchase and installation of new utility meters on October 12, 2022, from Everett J. Prescott, Inc. Sales taxes in the amount of \$1,152.93 were included and paid with this purchase. Since the City was not legally required to pay the sales tax on this purchase, this expenditure is unallowable under federal regulations and not for a valid public purpose.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Everett J. Prescott, Inc., in the amount of \$1,152, and in favor of the City’s Local Fiscal Recovery Fund.

In May 2023, Everett J. Prescott, Inc. issued a credit to the City in the amount of \$1,152.93 to cover the cost of the sales tax previously charged in error. The City has since used the credit in July 2023. As a result, the matter is considered repaid under audit.

The City should develop policies and procedures to ensure expenditures are allowable and serve a proper public purpose and to ensure sales tax is not paid.

Management’s Response

We did not receive a response from Officials to the finding reported above.

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OHIO AUDITOR OF STATE KEITH FABER



**CITY OF VAN WERT
ALTERNATIVE COMPLIANCE EXAMINATION**

VAN WERT 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 8/22/2023

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