

**VILLAGE OF ALGER
HARDIN COUNTY**

**Agreed-Upon Procedures
For the Years Ended December 31, 2022 and 2021**



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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Alger
P.O Box 400
Alger, OH 45812

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Alger, Hardin County, prepared by Gueye & Associates, CPA, for the period January 1, 2021 through December 31, 2022. 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 Alger is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 28, 2023

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Alger
Hardin County
P.O Box 400
Alger, OH 45812

We have performed the procedures enumerated below on the Village of Alger's (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. 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 and Investments

1. We recalculated the December 31, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
2. We attempted to agree the January 1, 2021 beginning fund balances for each fund recorded in the Fund Status Report to the December 31, 2020 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. The balances did not agree due to a prior year audit adjustment of \$533, outstanding checks totaling \$27,183 from the prior year that were canceled in 2021. We also attempted to agree the January 1, 2022 beginning fund balances for each fund recorded in the Fund Status Report to the December 31, 2021 balances in the Fund Status Report. The balances did not agree due to \$1,137 in outstanding checks that were canceled in 2022.
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 Fund Status Report and the financial statements filed by the Village in the Hinkle System. The amounts agreed.

4. We confirmed the December 31, 2022 bank account balances with the Ohio Pooled Collateral System. 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 attempted to trace each debit to the subsequent January bank statements. Two checks of \$21.85 and \$185.74, respectively were still outstanding.
 - 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 only reconciling credit (such as deposits in transit) from the December 31, 2022 bank reconciliation:
 - a. We attempted to trace each credit to the subsequent January or February bank statements. The reconciling credit of \$1,544 was still outstanding.
 - b. We attempted to agree the credit amounts to the Receipts Register and determined they were dated prior to December 31. The credit amounts of \$1,544 were received in the bank account in June 2021, but were still marked as outstanding.
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, 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 Auditor Appropriation History 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.

Income Tax Receipts

1. We obtained the December 31, 2022 and 2021 monthly distribution reports submitted by the Central Collection Agency (CCA) in 2021, and the Regional Income Tax Agency (RITA) in 2021 and 2022, the agencies responsible for collecting income taxes on behalf of the Village. We agreed the total gross income taxes per year to the Village's Receipt Detail Report. The amounts agreed.
2. We obtained the original income tax ordinance which set the rate and effective period. The original ordinance was dated 11/17/1970. We determined there were no additional (council or voter) approved amendments to the original ordinance. We agreed the most recent approved rate to the rate on CCA and RITA's supporting documentation. 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 Detail 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 Detail Report to determine the receipt was posted to the proper funds and was recorded in the proper year. We found no exceptions.

Water Operating and Sewer Operating 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 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 Daily Cash Receipt Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Daily Cash Receipt Journal for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the engagement 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 Billing History Report
 - a. This report listed \$37,027 and \$25,587 of accounts receivable as of December 31, 2022 and 2021, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$0 and \$0 were recorded as more than 90 days delinquent.
3. We observed the Daily Cash Receipts Journal
 - a. This report listed a total of \$57,097 and \$2,156 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 the Mayor or Village Administrator approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following bonds, notes, and loans were outstanding as of December 31, 2020.
 - a. These amounts agreed to the Village's January 1, 2021 balances on the summary we used in procedure 3.
 - b. We inspected the debts' final offering documents for all outstanding debt. The Village was in compliance with the listed covenants with the exception of the following:
 - Ordinance 84-18 for the Sanitary Sewer Construction Bonds, Section 7 indicates in part that a direct tax sufficient to provide funds to pay the interest and principal payments shall be levied. The funds derived from said tax levies hereby required shall be placed in a separate and distinct fund, which, together with all interest collected on the same, shall be irrevocably pledged for the payment of the interest and principal of the Bonds when and as the same fall due. The Village did not establish such a fund.

Issue	Principal outstanding as of December 31, 2020:	Debt Covenant
Sanitary Sewerage Construction Bonds	\$20,000	Ordinance 84-18 for the Sanitary Sewer Construction Bonds, Section 7 indicates in part that a direct tax sufficient to provide funds to pay the interest and principal payments shall be levied. The funds derived from said tax levies hereby required shall be placed in a separate and distinct fund, which, together with all interest collected on the same, shall be irrevocably pledged for the payment of the interest and principal of the Bonds when and as the same fall due.
Sanitary Sewerage First Mortgage Revenue Bonds	\$87,000	Establishment of sanitary reserve fund with a balance of \$19,560. Establishment of a sanitary sewerage surplus fund.
Ohio Water Development Authority Loan # 4241	\$17,960	None
Ohio Water Development Authority Loan # 3627	\$627,904	None
Ohio Public Works Commission CP03D	\$11,984	None

2. We inquired of management and inspected the Receipt Detail 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. We obtained a summary of bonds, notes, and loans debt activity for 2022 and 2021 and attempted to agree principal and interest payments from the related debt amortization schedules to Sewer Operating, Sewer Debt Retirement, and Water Improvement funds 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 three exceptions when agreeing the amounts to be paid from the billing statements to what was recorded in the Payment Register Detail Report:

- In 2022, the billing statement for the Sanitary Sewer Construction Bonds indicated that the principal amount to be paid was \$8,000 and the interest amount to be paid was \$1,800. The payments were paid from the Sewer Operating Fund; however, the payments should have been paid from a separate and distinct fund.
- In 2021, the billing statement for the Sanitary Sewer Construction Bonds indicated that the principal amount to be paid was \$4,000 and the interest amount to be paid was \$600. The payments were paid from the Sewer Operating Fund; however, the payments should have been paid from a separate and distinct fund.
- In 2022, the billing statement for the Sanitary Sewage First Mortgage Revenue Bonds indicated that the principal amount to be paid was \$17,000 and the interest amount to be paid was \$2,700. The payment was recorded in the Payment Register Detail Report as a principal payment of \$15,700 and an interest payment of \$4,000 paid from the Sewer Debt Retirement Fund. While the payments were made from the proper fund, the payment amounts did not agree with the billing statement.

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 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). 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 minutes records. 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 one new employees from 2021 and:
 - a. We inspected the employees' and Council Members' personnel files and minute records for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We agreed the items in a above to the Employee General Information Report
 We found no exceptions.

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:

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, 2023	12/31/2022	1,262.31	1,262.31
State income taxes	January 15, 2023	12/31/2022	\$216.96	\$216.96
Hardin Northern LSD	January 15, 2023	12/31/2022	\$39.81	\$39.81
Upper Scioto Valley LSD	January 15, 2023	12/31/2022	\$35.16	\$35.16
Village of Alger Income Tax	January 31, 2023	12/31/2022	\$118.42	\$118.42
Dunkirk Local Income Tax	January 31, 2023	12/31/2022	\$22.75	\$22.75
OPERS retirement	January 30, 2023	12/31/2022	\$2,457.46	\$2,457.46

We found no exceptions.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Register Detail 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 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 fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found no exceptions.

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 Light, and Water Operating fund as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the 5 largest interfund transfers from 2022 and the 5 largest from 2021 Revenue Status Reports and Appropriation Status 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, 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.
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 attempted to inspect the individual proof of attendance to determine 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). Public records training was not attended by each of the elected officials.

Ohio Rev. Code § 109.43(B), requires all elected officials or their designees to attend three hours public records training approved by the Attorney General for every term of office. None of the elected officials obtained records training during the term of office or have a designee attend the training.

The lack of public records training may result in the Officials or others employed by the Village making errors when it comes to maintaining public records and responding to requests for public records.

A reminder system should be implemented by the Village to ensure all elected officials, or their designee attends the required records training during each term of office.

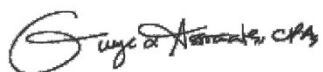
9. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
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

1. 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.
2. We inquired of the fiscal officer to determine whether the fiscal officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. The Fiscal Officer obtained the required training.

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.

A handwritten signature in black ink, appearing to read "Gueye & Associates, CPA Inc.", written in a cursive style.

Gueye & Associates, CPA Inc.

May 31, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ALGER

HARDIN 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 7/11/2023

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