

**VILLAGE OF HANOVER**  
LICKING COUNTY, OHIO

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED  
DECEMBER 31, 2022 & 2021**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Hanover  
200 New Home Dr  
Hanover, Ohio 43055

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Hanover, Licking County, prepared by Julian & Grube, Inc., 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 Hanover 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

August 18, 2023

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## Independent Accountants' Report On Applying Agreed-Upon Procedures

Village of Hanover  
Licking County  
200 New Home Dr  
Hanover, Ohio 43055

We have performed the procedures enumerated below on the Village of Hanover'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

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 for each fund recorded in the Cash Summary by Fund to the December 31, 2020 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2022 beginning fund balances for each fund recorded in the Cash Summary by Fund to the December 31, 2021 balances in the Cash Summary by Fund. We found no exceptions.
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 Cash Summary by Fund and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed one accounts December 31, 2022 bank account balance with the Ohio Pooled Collateral System. We found no exceptions. We observed the other account year-end bank balance on the financial institution's website. The balance agreed. 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 traced interbank account transfers occurring in December of 2022 and 2021 to the accounting records and bank statements to determine if they were properly recorded. 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 DLTs 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.
3. We confirmed the total amount paid from the OPWC to the Village during 2021 with the Commission. We found no exceptions.
  - a. We inspected the Receipt Detail Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We inspected the Receipt Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Income Tax Receipts**

1. We obtained the December 31, 2022 and 2021 Monthly Distribution Summary reports submitted by the Regional Income Tax Agency (RITA), the agency 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 10/12/16. 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 RITA's supporting documentation. We found no exceptions.

### **Other Receipts**

1. We selected 10 other receipts in the proprietary funds from the year ended December 31, 2022 and 10 other receipts in the proprietary funds 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 fund, and was 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, 2022 and 10 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 Account History report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Account History report for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the engagement period, plus any applicable late penalties and/or unpaid prior billings. We found no exceptions.
  - c. Receipt was posted to the proper fund and was recorded in the year received. We found no exceptions.
2. We observed the Accounts Receivable Detail report.
  - a. This report listed \$17,272 and \$15,105 of accounts receivable as of December 31, 2022 and 2021, respectively.
  - b. Of the total receivables reported in the preceding procedure, \$272 and \$552 were recorded as more than 90 days delinquent.
3. We observed the Adjustments Detail report.
  - a. This report listed a total of \$6,957 and \$8,521 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 clerk treasurer or council approved each adjustment.

**Debt**

1. From the prior agreed-upon procedures documentation, we observed the following bonds 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 debt's final offering documents for all outstanding debt, and we confirmed the Village does not have any debt covenants.

Issue	Principal outstanding as of December 31, 2020:
OWDA – Loan #4615	1,594,151.69
Municipal Bond	459,765.52
OPWC – Loan #CQ32W	165,030.46
OPWC – Loan #CQ50V	192,582.50

2. We inquired of management and inspected the Receipt Detail Report and Payment Detail Report for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. All debt payment agreed to the summary we used in procedure 3. We noted the debt issued in 2021, in the amount of \$127,319.50, was recorded as intergovernmental receipts instead of loan proceeds.
3. We obtained a summary of bonds and loans debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to Street Construction Maintenance and Repair, Other Debt Service, and the Sewer Operating funds payments reported in the Payment Detail Report. We also compared the date the debt service payments were due to the date the Village made the payments. We noted one payment in 2021 where the principal was recorded \$4,181.72 less than the amortization schedule and the interest was recorded the same \$4,181.72 more than the amortization schedule.

4. We agreed the amount of debt proceeds received for 2021 from the debt documents to amounts recorded in the Street Construction Maintenance and Repair fund per the Receipt Detail Report. The amounts agreed.
5. For new debt issued during 2021, we inspected the debt legislation, which stated the Village must use the proceeds for a street improvement project. We inspected the Payment Detail Report and observed the Village expended the funds on the approved project in 2021. We found no exceptions.

#### **Non-Payroll Cash Disbursements**

1. We selected 10 disbursements from the Payment 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 returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment 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 clerk treasurer 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 Maintenance and Repair, and Other Special Revenue-Fire funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the two interfund transfers from 2022 and the one 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(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.

#### **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 five 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). We found no exceptions.
  - 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 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 selected the one application submitted to the Records Commission for one-time disposal of obsolete records, and management's review of the schedules of records retention and dispositions for the engagement period. We inspected the approval by the Records Commission for the one selected and the review of the schedules. This was required by Ohio Rev. Code § 149.412. We found no exceptions.
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 and Payment Detail Report and identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one contract over \$50,000 for 2021 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**

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.

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 8, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF HANOVER**

**LICKING 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 8/31/2023**

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](http://www.ohioauditor.gov)