



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**VILLAGE OF HOLGATE
HENRY COUNTY**

**AGREED-UPON PROCEDURES
FOR THE YEARS ENDED DECEMBER 31, 2023 - 2022**

OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of Holgate
PO Box 217
Holgate, Ohio 43527

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of the Village of Holgate, Henry County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2022 through December 31, 2023. 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 Holgate 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 07, 2024

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VILLAGE OF HOLGATE
HENRY COUNTY

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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Holgate
Henry County
PO Box 217
Holgate, Ohio 43527

We have performed the procedures enumerated below on the Village of Holgate, Henry County’s (the Village) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 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, 2023 and 2022 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, 2023 and 2022, 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, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2022 beginning fund balances for each fund recorded in the Fund Cash Balance Statement to the December 31, 2021 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the Fund Cash Balance Statement to the December 31, 2022 balances in the Fund Cash Balance Statement. We found no exceptions.
3. We agreed the 2023 and 2022 bank reconciliation as of December 31, 2023 and 2022 to the total fund cash balances reported in the Fund Cash Balance Statement and the financial statements filed by the Village in the Hinkle System. The amounts agreed.

Cash and Investments (Continued)

4. We confirmed the December 31, 2023 bank account balances with the Village's financial institutions. We noted that the amount recorded in the bank reconciliation for Hamler State Bank Certificates of Deposit was overstated by \$539.83 when compared to the confirmation provided by the bank. We proposed a fund balance adjustment to correct the error. The Village posted the adjustment to their accounting system. We found no other exceptions.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2023 bank reconciliation:
 - a. We traced the one outstanding check 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 inspected investments held at December 31, 2023 and December 31, 2022 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 and Intergovernmental 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 Henry County Auditor DTLs for 2023 and a total of five from 2022:
 - a. We compared the amount from the above named reports to the amount recorded in the Revenue Statement. The amounts agreed.
 - b. We inspected the Revenue Statement 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 Statement 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 Statement to determine whether it included two real estate tax receipts for 2023 and 2022. The Revenue Statement included the proper number of tax receipts for each year. We found no exceptions.

Income Tax Receipts

1. We compared the allocation of income tax receipts for the years ended December 31, 2023 and 2022 to the Village's funds according to the allocation requirements of Ordinance No. 831. We noted that the allocation did not agree with the percentages the Ordinance requires. The amount posted to the General Fund was overstated and the amount posted to the Capital Improvements Fund was understated by \$103.14. We proposed a fund balance adjustment to correct the error. The Village posted the adjustment to their accounting system. We found no other exceptions.
2. We selected 5 income tax returns filed during 2023 and 5 from 2022.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the receipt. The amounts agreed.
 - b. We compared the cash receipt total from procedure a. to the amount recorded as income tax receipts in the Revenue Statement for that date. The amounts agreed.
 - c. We compared the date of the receipts to the date the receipts was posted in the Revenue Statement to determine whether the receipts were recorded in the year received. We found no exceptions.

Income Tax Receipts (Continued)

- d. The latest (council or voter) approved amendment for the engagement period was dated 09/11/1995. We agreed the most recent approved rate to the rate used on the income tax return. We found no exceptions.
3. We selected 5 income tax refunds from 2023 and 5 from 2022.
 - a. We compared the refund paid from the Expense Statement to the refund amount requested in the tax return. The amounts agreed.
 - b. We observed the approval by the Fiscal Officer on each of the refunds. We found no exceptions.
 - c. We observed the refunds were paid from the General Fund as is required.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2023 and 10 other receipts from the year ended 2022 and:

- a. Agreed the receipt amount recorded in the Revenue Statement 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 Revenue Statement to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Water, Sewer, and Stormwater Fund Receipts

1. We selected 10 Water, Sewer and Stormwater Fund collection cash receipts from the year ended December 31, 2023 and 10 Water, Sewer and Stormwater Fund collection cash receipts from the year ended 2022 recorded in the Revenue Statement and determined whether the:
 - a. Receipt amount per the Revenue Statement agreed to the amount recorded to the credit of the customer's account in the Customer Balance Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Customer Balance Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the engagement 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 fund(s) and was recorded in the year received. We found no exceptions.
2. We observed the Delinquent Report By Date and 90 Day Delinquent Report By Date:
 - a. This report listed \$22,663.96 and \$22,049.63 of accounts receivable as of December 31, 2023 and 2022, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$17,817.89 and \$17,259.08 were recorded as more than 90 days delinquent.
3. We requested a non-cash A/R adjustments report, however The Village was unable to provide the report.
 - a. This report listed a total of \$0 and \$0 non-cash receipts adjustments for the years ended December 31, 2023 and 2022, respectively.
 - b. We reviewed the 2023 and 2022 Council meeting minutes and observed non-cash adjustments from 2023 and non-cash adjustments from 2022 were approved by Village Council.

Debt

1. From the prior audit documentations, we observed the following loans were outstanding as of December 31, 2021.
 - a. These amounts agreed to the Village's January 1, 2022 balances on the summary we used in procedure 3.
 - b. We inspected the debt's Loan Detail and Paydown reports for all outstanding debt, and we confirmed the Village does not have any debt covenants.

Issue	Principal outstanding as of December 31, 2021:
OWDA 3621	\$5,696
OWDA 8321	\$823,978
OPWC CE32L	\$70,882
OPWC CT18T	\$68,978

2. We inquired of management and inspected the Revenue Statement and Expense Statement for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedules to Water and Sewer Fund payments reported in the Expense Statement. 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 1 payroll check for 5 employees from 2023 and 1 payroll check for 5 employees from 2022 from the Employee History Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee History 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. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected all new employees from 2023 and all new employees from 2022 and:
 - a. We inspected the employees' personnel files 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.

Payroll Cash Disbursements (Continued)

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2023 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 2023. 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, 2024	December 28, 2023	\$2,512.55	\$2,512.55
State income taxes	January 15, 2024	December 29, 2023	\$427.81	\$427.81
School district taxes	January 15, 2024	December 29, 2023	\$280.51	\$280.51
OPERS retirement	January 30, 2023	December 29, 2023	\$4,209.16	\$4,209.16

We found no exceptions.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Expense Statement for the year ended December 31, 2023 and 10 from the year ended 2022 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 Expense Statement 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 4 instances in 2023 where disbursements requiring certification were not properly certified and 3 instances in 2022 were not properly certified and 1 instance in 2022 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 appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2023 and 2022 for the General, Street, and State Highway funds, as recorded in the Expense Statement. Expenditures did not exceed appropriations.
2. We inspected the Fund Cash Balance Statement for the years ended December 31, 2023 and 2022 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 inquired with Village management and determined that the Village did not have a public records policy during the engagement period as required by Ohio Rev. Code § 149.43(E)(2).]
2.
 - a. We inquired with Village management and determined that the Village did not have any completed public records requests during the engagement period.
 - 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 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 inquired with Village management and determined that the Village did not have a public records policy during the engagement period therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inquired with Village management and determined that the Village did not have a public records policy during the engagement period therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with Village management and determined that the Village did not have a public records policy during the engagement period therefore it could not be displayed in all the branches of the Village as required by Ohio Rev. Code § 149.43(E)(2).
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 inquired of management 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). The elected officials did not obtain the required training.
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 identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected 1 contract subject to competitive bidding requirements for 2023:
 - 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 § 731.141.
 - 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 §§ 731.141 and 7.16. We found no exceptions.
3. We inspect the modified contract documents for the contracts in procedure 1 and determined it contained:
 - a. Signatures of the contractor
 - b. Signatures of the appropriate officials including village administrator.
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, 2023 and 2022 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

July 1, 2024

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF HOLGATE

HENRY 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 8/20/2024

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