



OHIO AUDITOR OF STATE
KEITH FABER





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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Lewisburg
Preble County
112 South Commerce Street
Lewisburg, Ohio 45338

We have performed the procedures enumerated below on the Village of Lewisburg'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. 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 Cash Fund Balance Statement Report 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 Cash Fund Balance Statement Report to the December 31, 2022 balances in the Cash Fund Balance Statement Report. We found no exceptions.

3. We agreed the 2023 and 2022 bank reconciliations as of December 31, 2023 and 2022 to the total fund cash balances reported in the Cash Fund Balance Statement and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2023 bank account balances with the Village's financial institution and Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2023 bank reconciliation without exception.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2023 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. 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 2023 and 2022 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
7. 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, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of 5 receipts from the *Statement of Semiannual Apportionment of Taxes* and State Distribution Transaction Listing (DTL) for 2023 and a total of 5 from 2022:
 - a. We compared the amount from the above-named reports to the amount recorded in the Detailed Revenue Report. The amounts agreed.
 - b. We inspected the Detailed Revenue Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05 and 5705.10. We found no exceptions.
 - c. We inspected the Detailed Revenue 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 Detailed Revenue Report to determine whether it included 2 real estate tax receipts for 2023 and 2022. The Detailed Revenue Report 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. 2015-10. The allocation agreed with the percentages the Ordinance requires.
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 Payment Journals. The amounts agreed.
 - b. We compared the Payment Journals total from procedure a. to the amount recorded as income tax receipts in the Detailed Revenue Report for that date. The amounts agreed.

- c. We compared the date of the receipts to the date the receipts was posted in the Detailed Revenue Report to determine whether the receipts were recorded in the year received. We found no exceptions.
 - d. We obtained the original income tax ordinance which set the rate and effective period. The original ordinance was dated 7/2/2015. 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 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 Detailed Expense Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We observed the approval by the Income Tax Clerk on each of the refunds. We found no exceptions.
 - c. We observed the refunds were paid from the Income Tax Fund, as is required.

Emergency Medical Service Receipts

We confirmed the amounts paid from Change Healthcare, the service organization that performs the emergency medical billings, to the Village during 2023 and 2022 with Change Healthcare. We found no exceptions.

- a. We inspected the Detailed Revenue Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
- b. We inspected the Detailed Revenue Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

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 Detailed Revenue 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 Detailed Revenue Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Water, Sewer and Sanitation Funds

1. We selected 10 Water, Sewer and Sanitation Fund collection cash receipts from the year ended December 31, 2023 and 10 Water, Sewer and Sanitation Fund collection cash receipts from the year ended 2022 recorded in the Meter Reading Detail Report and determined whether the:
 - a. Receipt amount per the Detailed Receipt Spreadsheet 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. 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 Delinquent Report.
 - a. This report listed \$3,632.83 and \$6,596.55 of accounts receivable as of December 31, 2023 and 2022, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$2,335.59 and \$2,518.60 were recorded as more than 90 days delinquent.

3. We observed the Daily Cash Receipts Journal.
 - a. This report listed a total of \$1,734.59 and \$5,290.15 non-cash receipts adjustments for the years ended December 31, 2023 and 2022, respectively.
 - b. We selected 5 non-cash adjustments from 2023 and 5 non-cash adjustments from 2022, and observed that the Village Manager approved each adjustment except for turn on/turn off fees for water which do not require approval.

Debt

1. From the prior audit documentation, we observed the following bonds, notes, loans, and leases 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 final offering documents for all outstanding debt, and we confirmed the Village was in compliance with the debt covenants listed below.

Issue	Principal outstanding as of December 31, 2021:	Debt Covenant
OPWC – Sludge CK20D	\$71,139	Not applicable
OPWC – Wastewater Plant CT80P	\$1,083,333	If Recipient shall fail to make any payment hereunder when due, and the same is not corrected within 30 days, then the amount of such default shall bear interest thereafter at the rate of 8% per annum from the date of the default until the date of the payment thereof, and the entire principal hereof then remaining unpaid, shall, at the Lender's option, become immediately due and payable.
OWDA – Fresh Water – Loan #7451	\$80,429	If the LGA does not pay any of the charges set forth in this Section 4.1 on or before the 5 th day after the due date, the amount of such default shall bear interest at the default rate from the due date until the date of the payment thereof. If the LGA does not pay any of the charges set form in this Section 4.1 on or before the 30 th day after the due date, in addition to the interest calculated at the default rate, a late charge of 1% on the amount of each default shall also be paid to the OWDA.
OWDA – Water Treatment – Loan #4717	\$541,249	Not applicable

OWDA Water Well #3 Rehabilitation #7911	\$28,842	If the LGA does not pay any of the charges set forth in this Section 4.1 on or before the 5 th day after the due date, the amount of such default shall bear interest at the default rate from the due date until the date of the payment thereof. If the LGA does not pay any of the charges set form in this Section 4.1 on or before the 30 th day after the due date, in addition to the interest calculated at the default rate, a late charge of 1% on the amount of each default shall also be paid to the OWDA.
OWDA 8716 South WWTP	\$43,429	If the LGA does not pay any of the charges set forth in this Section 4.1 on or before the 5 th day after the due date, the amount of such default shall bear interest at the default rate from the due date until the date of the payment thereof. If the LGA does not pay any of the charges set form in this Section 4.1 on or before the 30 th day after the due date, in addition to the interest calculated at the default rate, a late charge of 1% on the amount of each default shall also be paid to the OWDA.
LCNB Various Purpose Refunding, Series 2018	\$987,100	Not applicable
Farmer's State Bank (Refuse Collection Vehicle)	\$119,740	Upon default, including failure to pay upon final maturity, the interest rate on this note shall be increased by 5 percentage points.
ODOT SIB – Street Resurfacing Project	\$856,981	Not applicable
Farmer's State Bank (2020 Ford Dump Truck)	\$57,170	Upon default, including failure to pay upon final maturity, the interest rate on this note shall be increased by 5 percentage points.
Farmer's State Bank (Ambulance)	\$195,350	Upon default, including failure to pay upon final maturity, the interest rate on this note shall be increased by 5 percentage points.
OPWC – CK14X Sanitary Sewer Improvement	\$100,000	If Recipient shall fail to make any payment hereunder when due, and the same is not corrected within 30 days, then the amount of such default shall bear interest thereafter at the rate of 8% per annum from the date of the default until the date of the payment thereof, and the

		entire principal hereof then remaining unpaid, shall, at the Lender's option, become immediately due and payable.
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2. We inquired of management and inspected the Detail Revenue Report and Detailed Expense Report 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 bonds, notes, loans, and leases debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedules to debt service fund payments reported in the Detailed Expense Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds received for 2023 from the debt documents to amounts recorded in the Capital Improvement Projects fund per the Detailed Revenue Report. The amounts agreed.
5. For new debt issued during 2023, we inspected the loan agreement, which stated the Village must use the proceeds to purchase a F250 truck. We inspected the Detailed Expense Report and observed the Village purchased a truck in August 2023. 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 Payroll Summary Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary Journal 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 3 new employees and Council Members from 2023 and 3 new employees and Council Members from 2022 and:
 - a. We inspected the employees'/Council Members' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We agreed the items in a above to the Payroll Summary Journal Report.
We found no exceptions.
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 26, 2023 & December 29, 2023	\$7,084.67	\$7,084.67
State income taxes	January 15, 2024	January 11, 2024	\$2,584.52	\$2,584.52

OPERS retirement	January 30, 2024	January 30, 2024	\$13,120.46	\$13,120.46
OP&F retirement	January 31, 2024	January 30, 2024	\$20,310.09	\$20,310.09
Ohio School District income taxes	January 16, 2024	January 11, 2024	\$1,151.11	\$1,151.11

We found no exceptions.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Detailed Expense Report 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 Detailed Expense 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 including outstanding encumbrances) 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, Water Fund and Sanitation Fund as recorded in the Detailed Expense Statement and the Detailed Revenue Statement. Expenditures did not exceed appropriations.
2. We inspected the 4 largest interfund transfers from 2023 and the 2 largest from 2022 Detailed Revenue Reports and Detailed Expense 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 Fund Balance Statement Reports 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 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 3 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). For 1 of the 3 public records requests selected, the Village did not respond to the request in accordance with their adopted policy. See the table below.

Date Request Received	Date Request Fulfilled	Policy Response Time (in Business days)	Actual Response Time (in Business days)
3/14/2023	3/29/2023	3	11

- 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 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 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 identified the Village had one expenditure subject to competitive bidding. We found no exceptions.
2. We selected 1 contract subject to competitive bidding requirements for 2023 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 § 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. 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.
2. We inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) 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.

Related Party Transactions

1. We inquired with management and identified the following Related Party Transactions:
 - a. Total of \$3,694.15 paid to Industrial Heating Solutions during 2022.
 - b. Total of \$1,325.94 paid to Jeff Baker Heating and Air during 2022.
 - c. Total of \$1,550.30 paid to Industrial Heating Solutions during 2023.
 - d. Total of \$710 paid to Jeff Baker Heating and Air during 2023.We found no exceptions.
2. We confirmed the transactions with the other party. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions identified in procedure 1. 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.



Keith Faber
Auditor of State
Columbus, Ohio

October 11, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF LEWISBURG

PREBLE 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 11/7/2024

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