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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Wakeman
Huron County
59 Hyde Street
Wakeman, Ohio 44889-0107

We have performed the procedures enumerated below on the Village of Wakeman, Huron County, Ohio'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 its 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 Fund Ledger 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 Fund Ledger Report to the December 31, 2022 balances in the Fund Ledger Report. We found no exceptions.

3. We agreed the 2023 and 2022 bank reconciliation Adjusted Uniform Accounting Network Balances and Adjusted Bank Balances as of December 31, 2023 and December 31, 2022 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, 2023 bank account balance with the Ohio Pooled Collateral System. We found no exceptions. We also observed the year-end STAR Ohio 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, 2023 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2023 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 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 five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Listing (DTL), and the Huron County Local Government Confirmation 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 Receipt Register Report. The amounts agreed.
 - b. We inspected the Revenue Receipt Register 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 Revenue Receipt Register 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 Revenue Receipt Register Report to determine whether it included 2 real estate tax receipts for 2023 and 2022. The Revenue Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the total amount paid from the Ohio Public Works Commission (the Commission) to the Village during 2023 with the Commission. We found no exceptions.
 - a. We inspected the Revenue Receipt Register Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Receipt Register 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, 2023 and December 31, 2022 RevTest Tab on the DITA-prepared Regional Income Tax Agency (RITA) working papers. RITA is 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 Revenue Receipt Register Report. The amounts agreed.
2. We obtained the original income tax ordinance which set the rate and effective period. The original ordinance was dated May 9, 2016. 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

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

- a. Agreed the receipt amount recorded in the Revenue Receipt Register Report to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period, where applicable. We found no exceptions.
- c. Inspected the Revenue Receipt Register Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Water Operating Fund and Sewer Operating Fund Charges for Services

1. We selected ten Water Operating Fund and Sewer Operating Fund collection cash receipts from the year ended December 31, 2023 and ten Water Operating Fund and Sewer Operating Fund collection cash receipts from the year ended December 31, 2022 recorded in the Transaction Detail Report and determined whether the:
 - a. Receipt amount per the Transaction Detail Report agreed to the amount recorded to the credit of the customer's account in the Mini-Link Account Look Up system. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Muni-Link Account Look Up system 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 funds and was recorded in the year received. We found no exceptions.
2. We observed the Aging Report.
 - a. This report listed \$47,246 and \$42,862 of accounts receivable as of December 31, 2023 and December 31, 2022, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$1,243 and \$621 were recorded as more than 90 days delinquent.
3. We observed the Batch Summary Report.
 - a. This report listed a total of \$1,650 and \$4,414 non-cash receipts adjustments for the years ended December 31, 2023 and 2022, respectively.
 - b. We selected five non-cash adjustments from 2023 and five non-cash adjustments from 2022, and observed that the Village Administrator approved each adjustment.

Debt

1. From the prior audit documentation, 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 *Debt 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 listed covenants with the exception of ODWA Section 4.1 - Requirement of semiannual payments to be made each January 1 and July 1 in appropriate amounts from pledged revenues. The payment due July 1, 2022 was not made until July 18, 2022, which resulted in the Village incurring \$34 of additional interest costs.

Issue	Principal outstanding as of December 31, 2021:	Debt Covenant
OPWC Loan #CT41M OPWC Loan #CI25P OPWC Loan #CT31T OPWC Loan #CT05W	\$ 10,728 116,611 48,577 99,834	Article 3.2(a) - Requires the Village to prescribe and charge such rates as to meet the payments required Article 3.3 Article 3.2(b) - Requires the Village to allow OPWC to inspect records, accounts, and data of the utility. Article 3.2(c) - Requires separate funds to account for facility activity. Article 3.3 - Requires the Village to make timely payments from any revenues or, if the project is a utility, from the respective utility fund.
OWDA Loan #3773 OWDA Loan #5892 OWDA Loan #7644 OWDA Loan #8893	\$ 184,007 67,268 54,875 153,938	Section 4.1 - Requires semiannual payments to be made each January 1 and July 1 in appropriate amounts from pledged revenues. Section 4.3(a) - Requires the Village to prescribe and charge such rates as to meet the payments required in Section 4.1.

		<p>Section 4.3(b) - Requires the Village to furnish annual reports of the operation and income of the project as well as annual report of the accounts and operations of the project facility.</p> <p>Section 4.3(c) - Requires separate funds to account for facility activity.</p> <p>Section 5.1(a) - Requires the facilities to be operated in accordance with all applicable federal, state, and local environmental laws and regulations.</p> <p>Section 5.1(b) - Requires the Village to maintain the facility and equipment in good repair and operating condition at the Village's expense.</p> <p>Section 5.2 - Requires the Village not to discontinue facility operations and to provide adequate operation and maintenance.</p> <p>Section 5.3 - Requires the Village to maintain insurance over the facility.</p> <p>Section 5.4 - Requires the Village to maintain insurance in the amounts of \$500,000 for the death / personal injury of one person; \$1,000,000 for personal injury or death for each occurrence; \$500,000 for property damage. Also requires OWDA to be named as additional insured.</p> <p>Section 5.5 - Requires the Village to maintain Worker's Compensation Coverage.</p>
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		<p>Section 7.1(a) - Requires the Village to not make any actions which would cause the bonds issued by the OWDA to lose their tax exempt status.</p> <p>Section 7.1(f) - Requires the Village to not use more than 10% of the facility for private use.</p>
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2. We inquired of management and inspected the Revenue Receipt Register Report and Payment Register Detail 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 *Debt Procedure 3*.
3. We obtained a summary of loans debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedules to Permissive Motor Vehicle License Tax, Water Operating, and Sewer Operating fund 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 one exception, as described in *Debt Procedure 1.b* above.
4. For new debt issued during 2023, we inspected the debt legislation and ordinances, which stated the Village must use the proceeds of OPWC loan #CI64Z and OWDA loan #10323 for the Farmer Street/Cooper Street Waterline Improvement project and proceeds of OPWC loan #CI51Z for the State Route 20 Culvert Replacement and Catch Basin Replacement project. We inspected the Payment Register Detail Report and observed the Village used proceeds for the Farmer Street/Cooper Street Waterline Improvement project and for the State Route 20 Culvert Replacement and Catch Basin Replacement project during 2023. We found no exceptions.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2023 and one payroll check for five employees from 2022 from the Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively-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 employee's duties as documented in the employee's personnel files and/or minute record. 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 2023 and three new employees from 2022 and:
 - a. We inspected the employee's/Council Member's personnel files and/or minute record for the retirement system and federal, state, and 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, 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 and Medicare (and social security, for employees not enrolled in pension system)	January 31, 2024	January 4, 2024	\$4,332	\$4,332
State income taxes	January 15, 2024	January 8, 2024	872	872
Village of Wakeman income tax	January 31, 2024	December 29, 2023	414	414
OPERS retirement	January 30, 2024	January 10, 2024	4,815	4,815
OP&F retirement	January 31, 2024	January 9, 2024	1,270	1,270
School District income tax	January 15, 2024	January 8, 2024	433	433

We found no exceptions.

Non-Payroll Cash Disbursements

We selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2023 and ten from the year ended December 31, 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 or EFT on the bank statement 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 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, Permissive Motor Vehicle License Tax, and American Relief Plan Act - NEU Grant funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected all interfund transfers from 2023 and all from 2022 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 § 5705.16 would require approval by the Tax Commissioner.
3. We inspected the Cash Summary by Fund Report 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. We noted no funds having a negative cash fund balance.

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 its adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
 - 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 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 its 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 Payment Register Detail Report and identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one contract subject to competitive bidding requirements for 2023 and one for 2022 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 and 7.16. We found no exceptions.
3. We inspect the modified contract documents for the contracts in *Contract Compliance Procedure 1* and determined it contained:
 - a. Signatures of the contractor.
 - b. Signatures of the appropriate officials including the 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 its 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 exception for 2023. Financial information was filed on March 6, 2023 for 2022 which was not within the allotted timeframe.
2. We inquired of the Fiscal Officer and 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.

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

May 10, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WAKEMAN

HURON 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 5/28/2024

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This report is a matter of public record and is available online at
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