



OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Holland
Lucas County
1245 Clarion Avenue
Holland, Ohio 43528-8394

We have performed the procedures enumerated below on the Village of Holland, Lucas County, Ohio's (the Village) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2024 and 2023 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, 2024 and 2023 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, 2024 and 2023, 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, 2024 and December 31, 2023 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2023 beginning fund balance for each fund recorded in the Fund Status Report to the December 31, 2022 balance in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2024 beginning fund balance for each fund recorded in the Fund Status Report to the December 31, 2023 balance in the Fund Status Report. We found no exceptions.

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3. We agreed the 2024 and 2023 bank reconciliation as of December 31, 2024 and 2023 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, 2024 bank account balances with the Village's financial institutions, and Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2024 bank reconciliation without exception.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2024 bank reconciliation:
 - a. We traced each debit to the subsequent January, February, and March 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 selected all two reconciling credits (such as deposits in transit) from the December 31, 2024 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.We agreed the credit amounts to the Detail Revenue Transactions Report and determined they were dated prior to December 31. We found no exceptions.
7. We traced interbank account transfers occurring in December of 2024 and 2023 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
8. We inspected investments held at December 31, 2024 and December 31, 2023 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*, State Distribution Transaction Listing (DTL), and the Lucas County Auditor Consolidated Expense Reports for 2024 and a total of 5 from 2023:
 - a. We compared the amount from the above named reports to the amount recorded in the Village's Detail Revenue Transactions Reports. The amounts agreed.
 - b. We inspected the Village's Detail Revenue Transactions Reports 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 Village's Detail Revenue Transactions Reports 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 Village's Detail Revenue Transactions Reports to determine whether it included 2 real estate tax receipts for 2024 and 2023. The Village's Detail Revenue Transactions Reports included the proper number of tax receipts for each year. We found no exceptions.

3. We confirmed the amounts paid from the Village of Holland – Springfield Township Joint Economic Development Zone (JEDZ) to the Village during 2024 and 2023 with the JEDZ. We found no exceptions.
 - a. We inspected the Detail Revenue Transactions Report to determine whether these receipts were allocated to the proper funds. We found no exceptions.
 - b. We inspected the Detail Revenue Transactions 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, 2024 and 2023 Municipal Monthly Distribution reports submitted by the Regional Income Tax Agency (R.I.T.A.), 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 Detail Revenue Transactions report. The amounts agreed.
2. We obtained the original income tax ordinance which set the rate and effective period. The original ordinance was dated 12/20/2016. We determined the council approved an amendment to the original ordinance on 11/16/2021. We also obtained the JEDZ agreement which set the rate and effective period. The agreement was dated 07/28/2014. We agreed the most recently approved rates to the rates on RITA's supporting documentation. We found no exceptions.
3. We compared the allocation of income tax receipts for the years ended December 31, 2024 and 2023 to the Village's funds according to the allocation requirements of Ordinance No. 26-2021 and Section 4.3 of the JEDZ agreement between Holland and Springfield Townships. The allocation agreed with the percentages the Ordinance and JEDZ agreement require.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2024 and 10 other receipts from the year ended December 31, 2023 and:

- a. Agreed the receipt amount recorded in the Detail Revenue Transactions Report to supporting documentation. The amounts agreed.
- b. Inspected the Detail Revenue Transactions Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit report, we observed loans were outstanding as of December 31, 2022. These outstanding balances are included in the "Summary Debt Table - Carry Forward Balance" column in the summary chart in procedure 3.
2. We inquired of management and inspected the Detail Revenue Transaction Reports and Detail Expense Transaction Reports for evidence of debt issued during 2024 or 2023 or debt payment activity during 2024 or 2023. There were no new debt issuances, only payment activity, for 2024 and 2023 in the Summary Debt table below.

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3. From the summary of outstanding debt for 2024 and 2023 below:

- a. We agreed the principal and interest payments from the related debt amortization schedule to Capital Projects (State Issue 2) Fund payments reported in the Detail Expense Transactions Reports and included the total principal payments for both years in the table below. We found no exceptions.
- b. We compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.
- c. Based on the principal payments made, we agreed the outstanding balance to debt amortization schedule and included the outstanding balance in the summary table below. We found no exceptions.
- d. For any outstanding debt listed in the table below, we obtained the debt agreements and confirmed the Village was in compliance with its debt covenants. We found no exceptions.

Summary Debt Table					
Debt Issued	Carry Forward Balance 1/1/2023	New Issue 2023	New Issue 2024	Total Principal Payments 2023/2024	Outstanding Balance 12/31/2024
OPWC	\$1,530,375	\$0	\$0	\$185,500	\$1,344,875

Payroll Cash Disbursements

1. We selected 1 payroll check for 5 employees from 2024 and 1 payroll check for 5 employees from 2023 from the Complete Check Payroll Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Detail Check Registers to supporting documentation (timecards, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account code to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employee's personnel file. 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 2024 and 3 new employees and Council Members from 2023 and:
 - a. We inspected the 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 ReportWe found no exceptions.

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3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2024 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 2024. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2025	December 27, 2024	\$3,013.52	\$3,013.52
State income taxes	January 15, 2025	December 24, 2024	2,340.85	2,340.85
Village of Holland income tax	January 31, 2025	December 24, 2024	2,539.33	2,539.33
OPERS retirement	January 30, 2025	December 31, 2024	8,760.08	8,760.08
OP&F retirement	January 31, 2025	December 31, 2024	14,957.15	14,957.15

We found no exceptions.

Finding for Recovery Repaid Under Audit

On March 9, 2023, the Auditor of State (AOS) issued an Advisory, alerting Ohio governments to an increase in cybercrime, providing guidance on what to look for as well as steps to prevent attacks. On April 12, 2024, AOS released Bulletin 2024-03 which set clear standards and expectations for Ohio governments and public employees regarding the handling of requests for payment re-directs. AOS warned that failure to follow the guidance in Bulletin 2024-03 could result in an AOS finding when a loss occurs, and the employee is considered liable as a result of negligence or performing duties without reasonable care.

After AOS released the guidance in Bulletin 2024-03, the Village of Holland was the victim of a payroll phishing attack when the Administrative Assistant, who was filling in for the Clerk-Treasurer while on leave, changed an employee's bank routing information via an email request. The Clerk-Treasurer did not adopt a formal, Village-wide policy to require verification for these kinds of requests and did not ensure that the Administrative Assistant was aware of these requirements before going on leave. The Administrative Assistant therefore made no effort to further verify the requested change beyond the receipt of the email. This resulted in the June 7, 2024 and June 14, 2024 payroll being deposited in the fraudulent account for a total of \$2,288.40. Failure to follow reasonable expectations and standards to protect against cybercrime is considered negligent. This loss could have been prevented by following the guidelines and expectations set out in AOS Bulletin 2024-03.

A Village Clerk-Treasurer shall be held liable for a loss of public funds when the loss results from the Clerk-Treasurer's negligence or other wrongful act, per Ohio Rev. Code § 733.82.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.24, a Finding for Recovery for public monies illegally expended is hereby issued against Lyn Krasula, Clerk-Treasurer, in the amount of \$2,288.40, and in favor of the Village of Holland's General Fund.

In June 2025, the Village received a credit of \$0.77 to their bank account for this fraud. On August 18, 2025, the Village received a check from their insurance company in the amount of \$2,037.63. On August 21, 2025, the Village received a check from Lyn Krasula in the amount of \$250. This finding for recovery is considered repaid under audit.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Detail Expense Transactions Report for the year ended December 31, 2024 and 10 from the year ended December 31, 2023 and determined whether:

- a. The disbursements were for a proper public purpose. We found no exceptions.
- b. The check number, date, payee name and amount recorded on the canceled check/ACH agreed to the check number, date, payee name and amount recorded in the Detail Expense Transactions 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 Village Administrator 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 contract 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, 2024 and 2023 for the General, Street, and Capital Projects Funds as recorded in the MTD/YTD Total Expense Report by Fund. Expenditures did not exceed appropriations.
2. We inspected the only 3 interfund transfers from 2024 and the only interfund transfer from 2023 Detail Revenue Transactions Reports and Detail Expense Transaction 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 YTD Fund Report for the years ended December 31, 2024 and 2023 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 5 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 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.

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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 5 applications 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 5 selected and the review of the schedules. This was required by Ohio Rev. Code § 149.381. 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 identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected 1 contract subject to competitive bidding requirements for 2024 and 1 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 Toledo Blade 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, 2024 and 2023 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 Clerk Treasurer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. Clerk Treasurer obtained the required training.

Related Party Transactions

1. We inquired with management in order to identify any related party transactions and confirm if the required elected officials abstained from voting. We identified the following:
 - a. The Village has one council member who is also the owner of Hoen's Garden Center & Landscaping. The Village expended \$883 and \$778 in 2024 and 2023, respectively.
2. We confirmed the transactions with the Garden Center. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions identified in procedure 1. We found no exceptions.

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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
Ohio Auditor of State



Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 25, 2025

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF HOLLAND

LUCAS 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 9/9/2025

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