



**VILLAGE OF NORTH HAMPTON
CLARK COUNTY
AGREED-UPON PROCEDURES
FOR THE YEARS ENDED DECEMBER 31, 2021 - 2020**

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OHIO AUDITOR OF STATE
KEITH FABER



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Village Council
Village of North Hampton
PO Box 457
250 W. Clark St.
North Hampton, Ohio 45349

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of the Village of North Hampton, Clark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2020 through December 31, 2021. 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 North Hampton is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

August 23, 2022

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VILLAGE OF NORTH HAMPTON
CLARK COUNTY

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of North Hampton
Clark County
PO Box 457
250 W. Clark St.
North Hampton, Ohio 45349

We have performed the procedures enumerated below on the **Village of North Hampton**, Clark County's (the Village) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 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, 2021 and 2020 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, 2021 and 2020, and certain compliance requirements related to these transactions and balances. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Cash (Continued)

2. We agreed the January 1, 2020 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2019 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2020 balances in the Cash Summary by Fund Report. We found no exceptions.
3. We agreed the 2021 and 2020 bank reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2021 and 2020 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 in 2021, however, in 2020, we noted a variance of \$317 between the bank reconciliation and Fund Status Report. We also noted the \$317 variance between the bank reconciliation and financial statements filed in the Hinkle System. The \$317 difference is a result of an overpayment made to OPERS and credit placed on account.
4. We confirmed the December 31, 2021 bank account balances with the Village's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation. We noted a \$50 variance between confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation. The \$50 variance is due to an outstanding check that cleared from the Mayor's Court account, but has not yet cleared the bank.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2021 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.

Property Taxes and Intergovernmental Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Listing (DTL), and the Clark County Auditor Vendor Activity Report for 2021 and a total of five from 2020:
 - a. We compared the amount from the above named report to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We inspected the Revenue Ledger 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 Ledger 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 Ledger to determine whether it included two real estate tax receipts for 2021 and 2020. The Revenue Ledger included the proper number of tax receipts for each year. We found no exceptions.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2021 and 10 other receipts from the year ended 2020 and:

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

Water and Sewer Fund

1. We selected 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2021 and 10 Water and Sewer Fund collection cash receipts from the year ended 2020 recorded in the Revenue Ledger and determined whether the:
 - a. Receipt amount per the Revenue Ledger agreed to the amount recorded to the credit of the customer's account in the Sales by Customer Detail Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Sales by Customer Detail 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 funds, and was recorded in the year received. We found no exceptions.
2. We observed the A/R Aging Summary Report.
 - a. This report listed \$28,785 and \$6,773 of accounts receivable as of December 31, 2021 and 2020, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$1,428 and \$552 were recorded as more than 90 days delinquent.
3. We observed the A/R Adjustment Report.
 - a. This report listed a total of \$0 and \$0 non-cash receipts adjustments for the years ended December 31, 2021 and 2020, respectively.
 - b. We selected all non-cash adjustments from 2021 and 2020, and observed that the Village Council approved each adjustment. There were no non-cash adjustments in 2021 and 2020.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following bonds and loans were outstanding as of December 31, 2019. These amounts agreed to the Village's January 1, 2020 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2019:
USDA- Sewer Loan	\$798,000
OWDA #3772- Water Treatment Plant	\$589,304
Security National Bank	\$4,033
OWDA #4276- Sewer Extension	\$621,626
OWDA #4547- Water Extension to NW	\$1,082,213
OWDA #4817- Water Line Extension (SM/CC)	\$603,550
OWDA #5999- Water Tower Repairs	\$94,076
Security Bank- Water Operating Bond	\$35,486
Ford Motor Credit- 2019 Interceptor	\$36,909

2. We inquired of management, and inspected the Revenue Ledger and Appropriation Ledger for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bond and loan debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedules to General, Water Operating and Sewer Operating Fund payments reported in the Appropriation Ledger. We also compared the date the debt service payments were due to the date the Village made the payments. We noted that the Village posted each Ford Motor Credit loan payment all to General Government - Capital Outlay in 2021 and 2020. In 2021 and 2020, Principal Retirement was under posted by \$8,273 and \$7,699, respectively. In 2021 and 2020, and Interest and Other Fiscal Charges was under posted by \$1,896 and \$2,470, respectively. We also noted, in 2021, when comparing Security Bank Water Operating Bond payments to the amortization schedule, we noted principal and interest variances of \$70 and \$235, respectively, and in 2020, we noted principal and interest variances of \$71 and \$194, respectively.
4. We agreed the amount of debt proceeds received for 2021 and 2020 from the debt documents to amounts recorded in the Sewer Operating Fund per the Revenue Ledger. We noted the Village should have recorded debt proceeds in 2021 and 2020 for the Wastewater Pump Station Improvement loan in the amount of \$3,113 and \$340,212, respectively. We noted the Village recorded \$336,225 in the Sewer Operating Fund as Other Financing Sources instead of debt proceeds.
5. For new debt issued during 2021 and 2020, we inspected the debt legislation, which stated the Village must use the proceeds for wastewater pump station improvements. We inspected the Appropriation Ledger and observed the Village used the proceeds for wastewater pump station improvements in throughout 2020.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Payroll Ledger and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
 - i. We inspected the employees' personnel files and minute record for the Retirement system, Federal, State & Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.
 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 and minute record. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2021 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 2021. 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, 2022	January 10, 2022	\$1,938.11	\$1,938.11
State income taxes	January 18, 2022	January 9, 2022	\$325.07	\$325.07
City of Kettering income tax	January 31, 2022	January 9, 2022	\$226.81	\$226.81
OPERS retirement	January 30, 2022	January 23, 2022	\$2,990.27	\$2,990.27
School income tax	January 18, 2022	January 9, 2022	\$34.15	\$34.15

We found no exceptions.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Appropriation Ledger for the year ended December 31, 2021 and 10 from the year ended 2020 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 Appropriation Ledger 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.

Mayor's Court Transactions

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We noted a variance of \$8,750 between the bank balance and what was recorded in UAN in 2021. This was due to an outstanding deposit and an outstanding check that were both dated after December 31, 2021.
2. We compared the reconciled cash totals as of December 31, 2021 and December 31, 2020 to the Mayor's Court Fund balance reported in the Fund Status Reports. We noted a variance of \$8,750 between reconciled cash totals in 2021 when compared to the Mayor's Court fund balance reported in the Fund Status Report. This was due to an outstanding deposit and an outstanding check that were both dated after December 31, 2021.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2021 and 2020 listing of unpaid distributions as of each December 31. We noted variances of \$736 and \$974 for 2021 and 2020 respectively when comparing the two reports. These variances are due to credit card processing fees.
4. We confirmed the December 31, 2021 bank account balance with the Mayor's Court financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation. We noted a variance of \$8,800 due to an outstanding deposit and an outstanding check that were both dated after December 31, 2021.
5. We selected all deposits in transit from the December 31, 2021 bank reconciliation:
 - a. We traced each deposit to the credit appearing in the subsequent January bank statement. We selected a \$1,300 deposit in transit but determined that it was not truly a deposit in transit due to it not being deposited until January 5, 2022.
 - b. We agreed these deposits' amounts to the court's cash book. Each deposit in transit was recorded as a December receipt for the same amount recorded in the reconciliation.
6. We selected five cases from the court cash book and agreed the payee and amount posted to the:
 - a. Duplicate receipt book.
 - b. Docket, including comparing the total fine paid to the judgment issued by the judge (i.e. mayor)
 - c. Case file.

The amounts recorded in the cash book, receipts book, docket and case file agreed

7. From the cash book, we selected one month from the year ended December 31, 2021 and one month from the year ended 2020 and determined whether:
 - c. The monthly sum of fines and costs collected for those months agreed to the amounts reported as remitted to the Village, State or other applicable government in the following month. We found no exceptions.
 - d. The totals remitted for these two months per the cash book agreed to the returned canceled checks. 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 cash book.

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, 2021 and 2020 for the General, State Highway and Water Operating Fund as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.

Compliance – Budgetary (Continued)

2. We inspected the Cash Summary by Fund Report for the years ended December 31, 2021 and 2020 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.
 - 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. Village did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Village had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inspected the Village's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
6. We observed that the Village's poster describing their Public Records Policy was displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We 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 training certificates 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.

Sunshine Law Compliance (Continued)

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 Appropriation Ledger and identified the Village had expenditures subject to competitive bidding. We found no exceptions.

2. We selected one contract over \$50,000 for 2020 and
 - a. We inspected the contract and other bids for the contracted expenditure and determined:
 - i. The Village accepted the lowest bid and met the requirements of Ohio Rev. Code § 735.05.
 - ii. No bid splitting occurred
 - iii. No deliberate attempts to evade bid limitations occurred, such as successive contracts just under the bid amount, occurred.
 - iv. No apparent interest in the contract by a public official occurred.We found no exceptions.
 - b. We inspected the advertisements of the proposals for bids in the newspaper and determined they were made as required by Ohio Rev. Code § 731.14. We found no exceptions.

Other Compliance

1. Ohio Rev. Code § 117.38 requires villages to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Village filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2021 and 2020 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 did not receive 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.



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

June 24, 2022

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF NORTH HAMPTON

CLARK 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 9/6/2022

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