



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Ohio City
Van Wert County
103 South Main Street
Ohio City, Ohio 45874

We have performed the procedures enumerated below on the Village of Ohio City's (the Village) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021, 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

1. We recalculated the December 31, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2021 beginning fund balances for each fund recorded in the Fund Cash Balance Statement to the December 31, 2020 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2022 beginning fund balances for each fund recorded in the Fund Cash Balance Statement to the December 31, 2021 balances in the Fund Cash Balance Statement. We found no exceptions.
3. We agreed the 2022 and 2021 bank reconciliation as of December 31, 2022 and 2021 to the total fund cash balances reported in the Fund Cash Balance Statement and the financial statements filed by the Village in the Hinkle System. The amounts agreed.

4. We confirmed the December 31, 2022 bank account balances with Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2022 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, 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 County Auditor Appropriation History Report for 2022 and a total of five from 2021:
 - a. We compared the amount from the above named reports to the amount recorded in the Check Register Report - Pay Ins Only. The amounts agreed.
 - b. We inspected the Check Register Report - Pay Ins Only 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 Check Register Report - Pay Ins Only 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 Check Register Report - Pay Ins Only to determine whether it included two real estate tax receipts for 2022 and 2021. The Check Register Report - Pay Ins Only 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 to the Village during 2021 with the Ohio Public Works Commission. We found no exceptions.
 - a. We inspected the Check Register Report - Pay Ins Only to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Check Register Report - Pay Ins Only to determine whether the receipts were recorded in the proper year. We found no exceptions.

Income Tax Receipts

1. We selected five income tax returns filed during 2022 and five from 2021.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the History Report – Cash/Payment Detail Report. The amounts agreed.
 - b. We compared the cash register tape total from procedure a. to the amount recorded as income tax receipts in the Check Register Report - Pay Ins Only for that date. The amounts agreed.
 - c. We compared the date of the receipts to the date the receipts were posted in the Check Register Report - Pay Ins Only 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 February 3, 1986. The latest Village Council approved amendment for the engagement period was dated April 1, 2014. We agreed the most recent approved rate to the rate used on the income tax return. We found no exceptions.
2. We selected five income tax refunds from 2022 and five from 2021.
 - a. We compared the refund paid from Check Register Report - Checks Only to the refund amount requested in the tax return. The amounts agreed.

- b. We observed the approval by Village Fiscal Officer on each of the refunds. We found no exceptions.
- c. We observed the refunds were paid from the General Fund, as is required.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2022 and 10 other receipts from the year ended 2021 and:

- a. Agreed the receipt amount recorded in the Check Register Report - Pay Ins Only to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found two receipts for the sale of bulk stone and three receipts for the sale of Memory Bricks, in which the rates being charged were not approved by Council.
- c. Inspected the Check Register Report - Pay Ins Only to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Water, Sewer and Electric Fund

1. We selected 10 Water, Sewer, and Electric Fund collection cash receipts from the year ended December 31, 2022 and 10 Water, Sewer, and Electric Fund collection cash receipts from the year ended 2021 recorded in the Check Register Report - Pay Ins Only and determined whether the:
 - a. Receipt amount per the Check Register Report - Pay Ins Only agreed to the amount recorded to the credit of the customer's account in the Daily Cash Receipts Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Daily Cash Receipts Journal 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 noted that the Village did not maintain accounts receivable reports that would list delinquent amounts or accounts receivable for utilities from December 31, 2022 or December 31, 2021.
3. We observed the Temporary Manual Charge Journal.
 - a. This report listed a total of \$89,587 and \$91,359 non-cash receipts adjustments for the years ended December 31, 2022 and 2021, respectively.
 - b. We selected five non-cash adjustments from 2022 and five non-cash adjustments from 2021, and observed that the Village Administrator approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following bonds and loans were outstanding as of December 31, 2020.
 - a. These amounts agreed to the Village's January 1, 2021 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 does not have any debt covenants.

Issue	Principal outstanding as of December 31, 2020:
OPWC Commission Loan #CM29P	\$15,456
OPWC Commission Loan #CT37C	\$25,783
OPWC Commission Loan #CU06D	\$5,737
OPWC Commission Loan #CT59J	\$5,448
OPWC Commission Loan #CT60M	\$683,334
OPWC Commission Loan #CT41S	\$236,421
OWDA Loan #3635	\$88,000
OWDA Loan #4749	\$67,698
OWDA Loan #5171	\$548,015
OWDA Loan #5682	\$680,317
Mortgage Revenue Bonds 2011	\$1,845,500
General Obligation Bonds 2021	\$203,116
Total	\$4,411,838

2. We inquired of management and inspected the Check Register Report - Pay Ins Only and Check Register Report - Checks Only for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bond and loan debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to Storm Sewer, Sewer, Water Debt, and Fire Fund payments reported in the Check Register Report - Checks Only. 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 2022 and 2021 from the debt documents to amounts recorded in the Sanitary Sewer fund per the Check Register Report - Pay Ins Only. The amounts agreed.
5. For new debt issued during 2022 and 2021, we inspected the debt legislation, which stated the Village must use the proceeds to complete their sanitary collection system rehabilitation phase 1 project. We inspected the Check Register Report - Checks Only and observed the Village paid the contractor for the project in 2022. We found no exceptions.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2022 and one payroll check for five employees from 2021 from the Payroll Summary Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the minute record. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected two new Council Members from 2022 and:
 - a. We inspected the 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 Employee Information Report
 We found no exceptions.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2022 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 2022. 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, 2023	December 28, 2022	\$3,703	\$3,703
State income taxes	January 15, 2023	December 29, 2022	\$554	\$554
Ohio School District Income Tax	January 17, 2023	December 29, 2022	\$212	\$212
Village of Ohio City Income Tax	January 30, 2023	December 29, 2022	\$533	\$533
OPERS retirement	January 30, 2023	January 12, 2023	\$3,652	\$3,652

We found no exceptions.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Check Register Report - Checks Only for the year ended December 31, 2022 and 10 from the year ended 2021 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 Check Register Report - Checks Only 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) 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, 2022 and 2021 for the General, Sewer, and Fire fund as recorded in the Expense Statement – By Account #. Expenditures did not exceed appropriations.
2. We inspected the 5 largest interfund transfers from 2022 and the 5 largest from 2021 Check Register Report - Pay Ins Only and Check Register Report - Checks Only 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 Summary by Fund Report for the years ended December 31, 2022 and 2021 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 inquired with the Village management and determined that the Village did not have any completed, denied, or redacted public records request 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 inquired with Village management and determined that the Village did not have written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inspected the Village's policy manual and determined the public records policy was not 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 the Ohio Attorney General website 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 one contract over \$50,000 for 2022 and one for 2021 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, Village website and determined they were made as required by Ohio Rev. Code § 731.14 and 7.16. We found no exceptions.
3. We inspected the modified contract documents for the contracts in procedure 1 and determined it contained:
 - a. Signatures of the contractor
 - b. Signatures of the appropriate officials including 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 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, 2022 and 2021 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. 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.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large, prominent "K" and "F".

Keith Faber
Auditor of State
Columbus, Ohio

July 13, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF OHIO CITY

VAN WERT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 8/1/2023

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www.ohioauditor.gov