



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF ELDORADO
PREBLE COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Eldorado
Preble County
160 North Main Street
Eldorado, Ohio 45321

We have performed the procedures enumerated below on the Village of Eldorado'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 and Investments

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 Cash Summary by Fund Report to the December 31, 2020 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, 2022 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2021 balances in the Cash Summary by Fund Report. 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 Cash Summary by Fund Report 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 the Village's financial institutions. 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.
6. We inspected investments held at December 31, 2022 and December 31, 2021 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* and State Distribution Transaction Listing (DTL) 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 Receipt Detail Report. The amounts agreed.
 - b. We inspected the Receipt Detail Report 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 Receipt Detail 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 Receipt Detail Report to determine whether it included two real estate tax receipts for 2022 and 2021. The Receipt Detail Report included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the individual amounts paid from Preble County, Ohio Public Works Commission (OPWC), and Ohio Water Development Authority (OWDA) to the Village during 2021 with Preble County, OPWC, and OWDA. We found no exceptions.
 - a. We inspected the Revenue Ledger Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Water Operating, Sewer Operating, and Electric Operating Fund

1. We selected 10 Water Operating, Sewer Operating, and Electric Operating Fund collection cash receipts from the year ended December 31, 2022 and 10 Water Operating, Sewer Operating, and Electric Operating Fund collection cash receipts from the year ended 2021 recorded in the Receipt Detail Report and determined whether the:
 - a. Receipt amount per the Receipt Detail Report agreed to the amount recorded to the credit of the customer's account in the Utility Billing Trial Balance. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Utility Billing Trial Balance 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 Utility Billing Delinquent Report.
 - a. This report listed \$17,184.95 and \$18,738.43 of accounts receivable as of December 31, 2022 and 2021, respectively.
 3. We observed the Utility Billing Trial Balance.
 - a. This report listed a total of \$434.64 and \$1,095.15 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 Board of Public Affairs approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following 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 was in compliance with the debt covenants listed below.

Issue	Principal outstanding as of December 31, 2020:	Debt Covenant
OWDA Loan #3937	\$149,515	Section 4.1: Payments must be made by the required due date to avoid the assessment of late charges. Section 6.3: In the event of default, the full amount of the unpaid principal amount is immediately due.
OPWC CK22G (WTP) Loan	\$25,746	Appendix C-1, Article 6.3: In the event of default, the repayment amount shall bear an interest rate of 8% from the date of the default until the date of payment. The entire principal amount of the loan then remaining unpaid, together with all accrued interests and other charges shall, at the OPWC's option, become immediately due and payable.
OPWC CK20Q (Street) Loan	\$146,370	Appendix C, Article 3.12: In the event of default, the repayment amount shall bear an interest rate of 8% from the date of the default until

		<p>the date of payment. The entire principal amount of the loan then remaining unpaid, together with all accrued interests and other charges shall, at the OPWC's option, become immediately due and payable.</p>
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2. We inquired of management and inspected the Revenue Ledger and Payment Register Detail Report 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 loans debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to Water, Sewer, Street, and State Highway 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 no exceptions.
4. We agreed the amount of debt proceeds received for 2022 and 2021 from the debt documents to amounts recorded in the Capital Projects fund per the Revenue Ledger. The Village failed to record a memo receipt/expenditure for \$2,118.74 from the Ohio Public Works Commission in 2021.
5. For new debt issued during 2022 and 2021, we inspected the debt legislation, which stated the Village must use the proceeds to for wastewater treatment plant alterations/improvements. We inspected the Payment Register Detail Report and observed the Village had capital improvement expenditures for the wastewater treatment plant alterations/improvements in 2022 and 2021. 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 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 or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files 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 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	January 3, 2023	\$162.87	\$162.87
State income taxes	January 15, 2023	January 3, 2023	\$1,290.90	\$1,290.90
OPERS retirement	January 30, 2023	January 3, 2023	\$2,353.76	\$2,353.76
National Trail Local School District	January 15, 2023	January 3, 2023	\$138.00	\$138.00
Tri-Village Local School District	January 15, 2023	January 3, 2023	\$49.95	\$49.95

We found no exceptions.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Register Detail Report 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 canceled check and EFT 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 Treasurer 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, Street, and Water Operating Funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the 5 largest interfund transfers from 2022 and the 5 largest from 2021 Interfund Transfer Detail Reports for compliance with Ohio Rev. Code §§ 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner.
3. We inspected the Cash 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.

Compliance – American Municipal Power Joint Venture Debt Covenant Requirements

1. The Village is a member of Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Section 17(A) of the Joint Venture Agreement requires the Village's Electric Utility receipts, as defined, to be at least 110% of its OMEGA JV5 operating & maintenance plus debt service charges, as defined.

Using information from the Village's unadjusted receipts and disbursements ledger, we calculated the cash basis debt coverage for its OMEGA JV5 for the years ended December 31, 2022 and 2021.

For the year ended December 31, 2022, the ratio of the Village's Electric Utility receipts to OMEGA JV5 debt service disbursements was 8.7, meeting the Village's debt covenant obligation of 1.10 times set forth in Section 17(A) of the Joint Venture Agreement.

For the year ended December 31, 2021, this ratio was 8.4, thus meeting the Village's debt covenant obligation.

Exhibit JV5 presents the supporting calculations.

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 two 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.
3. We inquired with Village management and determined that the Village did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inquired with Village management and determined that the Village did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
6. We observed that the Village's poster describing their Public Records Policy was displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inquired with Village management and determined that the Village did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inspected individual proof of attendance and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found no exceptions.

9. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Contract Compliance

1. We inspected the Minutes and identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one contract over \$50,000 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 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, 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 clerk treasurer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. Clerk Treasurer 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

July 24, 2023

AMP Ohio JV 5 Revenue Coverage Calculation
ELECTRIC FUND
VILLAGE OF ELDORADO
PREBLE COUNTY
Basis Of Accounting: Cash

Year 2022

Statement of Revenues, Expenses and Changes in Fund Balances-Operating Fund

Operating Revenues

Charges for Services		\$ 504,532
	Total Operating Revenues	\$ 504,532

Operating Expenses

Personal Services		\$ 44,340
Purchased Power AMP-Ohio (Including Gorsuch/JV5/JV2 Debt Service if recorded with Purch Pwr)		\$ 376,410
Materials & Supplies		\$ 28,567
	Total Operating Expenses	\$ 449,317
	Total Operating Income	\$ 55,215

Nonoperating Income/Expenses

Non Operating Income		\$ 983
Non Operating Expenses		\$ (10,831)
Net Nonoperating Revenue		\$ (9,848)

Transfers

Transfers - In		\$ -
Transfers - Out		\$ (17,725)
Net Transfers		\$ (17,725)

Fund Balance - January 1		\$ 336,318
Fund Balance - December 31		\$ 363,960

Calculation of Debt Coverage:

JV5

1	Operating Income (From Above)	\$ 55,215
2	Add back: JV5 Debt Service (If included above as Operating Expense)	\$ 7,417
3	JV2 Debt Service (If included above as Operating Expense)	\$ -
4	Other Electric System Debt Service (If included above as Operating Expense)	\$ -
5	Depreciation (GAAP) / Capital outlay (cash basis)	\$ 10,831
6	kWh Tax from General Fund Included in either Transfers In or Operating Income	\$ -
7	Adjusted Operating Income Available for Debt Service (L1+L2+L3+L4+L5+L6)	\$ 73,463
8	Debt: Omega JV5 Debt Service principal + interest	\$ 7,417
9	OMEGA JV2 Debt Service principal + interest	\$ -
10	Other Electric System Debt Service principal + interest	\$ -
11	Total Electric System Debt Service(L8+L9+L10)	\$ 7,417
12	Coverage (JV5 Covenants require 110% or 1.1 times coverage of all debt) (L7/L11)	9.9042 Times

Note: The Fund Balance in a cash basis system is the Cash Balance.

1 Months Revenues (Average) [equals charges for services / 12]		\$ 42,044
Fund Balance		\$ 363,960
Months of Electric Fund Balance "in reserve" (i.e. on hand)		8.7

AMP Ohio JV 5 Revenue Coverage Calculation
ELECTRIC FUND
VILLAGE OF ELDORADO
PREBLE COUNTY
Basis Of Accounting: Cash

Year 2021

Statement of Revenues, Expenses and Changes in Fund Balances-Operating Fund

Operating Revenues

Charges for Services	\$ 479,125
Total Operating Revenues	\$ 479,125

Operating Expenses

Personal Services	\$ 40,273
Purchased Power AMP-Ohio (Including Gorsuch/JV5/JV2 Debt Service if recorded with Purch Pwr)	\$ 369,557
Materials & Supplies	\$ 32,801
Total Operating Expenses	\$ 442,631
Total Operating Income	\$ 36,494

Nonoperating Income/Expenses

Non Operating Income	\$ 1,006
Non Operating Expenses	\$ (315)
Net Nonoperating Revenue	\$ 691

Transfers

Transfers - In	\$ -
Transfers - Out	\$ (17,553)
Net Transfers	\$ (17,553)

Fund Balance - January 1	\$ 316,686
Fund Balance - December 31	\$ 336,318

Calculation of Debt Coverage:

JV5

1	Operating Income (From Above)	\$ 36,494
2	Add back: JV5 Debt Service (If included above as Operating Expense)	\$ 7,531
3	JV2 Debt Service (If included above as Operating Expense)	\$ -
4	Other Electric System Debt Service (If included above as Operating Expense)	\$ -
5	Depreciation (GAAP) / Capital outlay (cash basis)	\$ 315
6	kWh Tax from General Fund Included in either Transfers In or Operating Income	\$ -
7	Adjusted Operating Income Available for Debt Service (L1+L2+L3+L4+L5+L6)	\$ 44,340
8	Debt: Omega JV5 Debt Service principal + interest	\$ 7,531
9	OMEGA JV2 Debt Service principal + interest	\$ -
10	Other Electric System Debt Service principal + interest	\$ -
11	Total Electric System Debt Service(L8+L9+L10)	\$ 7,531

12 Coverage (JV5 Covenants require 110% or 1.1 times coverage of all debt) (L7/L11)	5.8877	Times
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Note: The Fund Balance in a cash basis system is the Cash Balance.

1 Months Revenues (Average) [equals charges for services / 12]	\$ 39,927
Fund Balance	\$ 336,318
Months of Electric Fund Balance "in reserve" (i.e. on hand)	8.4

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ELDORADO

PREBLE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/15/2023

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