



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of West Mansfield  
Logan County  
127 North Main Street  
West Mansfield, Ohio 43358

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of the Village of West Mansfield (the Village), on the receipts, disbursements and balances recorded in the Village's cash basis accounting records for the years ended December 31, 2019 and 2018 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, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village. The sufficiency of the procedures is solely the responsibility of the parties specified in this 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.

This report only describes exceptions exceeding \$10.

### Cash and Investments

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2018 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 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, 2019 bank account balances with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 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, to determine the debits were dated prior to December 31. There were no exceptions.

### **Cash and Investments (Continued)**

6. We inspected investments held at December 31, 2019 and December 31, 2018 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted 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), the Logan County 2018 ISSG11\_Detail Report, and the Logan County 2019 CMI19\_TRANSACTION\_DETAIL\_EXP Report for 2019 and a total of five from 2018:
  - a. We compared the amount from the above named reports to the amount recorded in the Revenue Receipt Register Report. The amounts agreed.
  - b. We inspected the Revenue Receipt Register Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions in 2018. We found one exception in 2019 where one gasoline excise tax receipt, in the amount of \$14, was posted incorrectly between the Street Construction Maintenance and Repair Fund and State Highway Fund. **Ohio Rev. Code § 5705.10(D)** states, in part, all revenue derived from a source other than the general property tax, and which the law prescribes shall be used for a particular purpose, is to be paid into a special fund for such purpose. The Village should implement procedures to verify receipts are posted to the correct funds to help prevent unallowable expenditures from restricted funds.
  - c. We inspected the Revenue Receipt Register Report to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Revenue Receipt Register Report to determine whether it included two real estate tax receipts for 2019 and 2018. The Revenue Receipt Register Report included the proper number of tax receipts for each year.
3. We confirmed the Ohio Public Works Commission (OPWC) on-behalf payments of \$70,860.75 for the Village during 2019 with the Logan County Engineer. We found no exceptions.
  - a. We inspected the Revenue Receipt Register Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We inspected the Revenue Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Income Tax Receipts**

We obtained the December 31, 2019 and 2018 Monthly Distribution Summary reports submitted by the Regional Income Tax Agency (RITA), 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 Receipt Detail Report. We found that November 2018 income tax receipts distributed in December 2018, in the amount of \$7,412, were posted in January 2019, rather than being posted in December 2018. The Village should implement procedures to verify receipts are timely posted to the accounting system to improve financial reporting and accountability.

### **Water Operating, Sewer Operating, and Enterprise Deposit Fund**

1. We selected 10 Water Operating, Sewer Operating, and Enterprise Deposit Fund collection cash receipts from the year ended December 31, 2019 and 10 Water Operating, Sewer Operating, and Enterprise Deposit Fund collection cash receipts from the year ended 2018 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 Cash Receipts/Write-off Journal. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Cash Receipts/Write-off Journal for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the audit period plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.
  - c. Receipt was posted to the proper fund(s), and was recorded in the year received. We found no exceptions for receipts posted in the year received. We found seven instances in 2019 and eight instances in 2018 where utility receipts were posted in the accounting system according to Village Ordinance No. 2018-04-01. The Ordinance specified allocating 54 percent to the Water Fund (5101) and 46 percent to the Sewer Fund (5201); however, these allocation rates did not agree with the rates charged on the customer bill. There was also one instance in 2018 where receipts were posted at 64 percent to the Water Fund and 36 percent to the Sewer Fund. The rates and allocations in the ordinance should agree with what is charged to the customer. The Village should modify its Ordinance to agree to customer bill allocations or update bill allocations to agree to the Ordinance. Approved utility rates and allocations are essential for verifying amounts are posted to the correct funds as required. Failure to properly update approved rates and bills could result in adjustments.
2. We observed the Delinquent/Shut-off Journal.
  - a. This report listed \$40,290 and \$25,038 of accounts receivable as of December 31, 2019 and 2018, respectively.
  - b. Of the total receivables reported in the preceding procedure, \$37,473 and \$25,038 were recorded as more than 90 days delinquent.
3. We observed the Customer History Report.
  - a. This report listed a total of (\$37,717) and \$9,144 non-cash receipts adjustments for the years ended December 31, 2019 and 2018, respectively.
  - b. We selected five non-cash adjustments from 2019 and five non-cash adjustments from 2018, and observed that none of the tested adjustments had documented approval by an independent Village Official. To promote accountability and help prevent unauthorized adjustments, the Village should have an independent official review and approve, by signature, all utility adjustments.

### **Debt**

1. From the prior audit documentation, we observed the following loans were outstanding as of December 31, 2017. These amounts agreed to the Village's January 1, 2018 balances on the summary we used in procedure 3.

**Debt (Continued)**

Issue	Principal outstanding as of December 31, 2017:
Ohio Water Development Authority Loan #2132	\$11,525
Ohio Water Development Authority Loan #4263	1,108,814
Ohio Water Development Authority Loan #6938	199,856
Ohio Water Development Authority Loan #7491	75,604
Ohio Public Works Commission Loan #CT39G	21,250
Ohio Public Works Commission Loan #CT65P	37,851
USDA Loans	1,233,000

2. We inquired of management, and inspected the Revenue Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedules to Water Operating, Sewer Operating, Water Plant Renovation Debt, Bond Debt, and OWDA Sewer Loan Funds 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 noted four payments where debt payments were made after the due date. The Village should implement procedures to verify debt payments are timely made to improve accountability and help avoid potential late fees.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Water Operating and Sewer Operating Funds per the Revenue Receipt Register Report. The amounts agreed.
5. For new debt issued during 2019 and 2018, we inspected the debt legislation, which stated the Village must use the proceeds to purchase a utility truck. We inspected the Payment Register Detail Report and observed the Village purchased a utility truck in July of 2019.

**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 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 there was no formal approval of Council Member pay rates. The Village should approve and maintain documentation of approved pay rates for Council members to verify rates are accurate and authorized. Failure to maintain approval of pay rates can result in potential overpayments.
  - b. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files and Village ordinances. We also confirmed the payment was posted to the proper year. We found no exceptions.
  - c. For any new employees selected in procedure 1 we inspected the employees' personnel files and Village ordinances for the following information and compared it with the information used to compute gross and net pay related to this check:
    - i. Name
    - ii. Authorized salary or pay rate and departments and funds to which the check should be charged
    - iii. Retirement system participation and payroll withholding, Federal, State & Local income tax withholding authorization and withholding

**Payroll Cash Disbursements (Continued)**

We found no exceptions related to procedures i. – iii. above.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 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 2019. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2020	January 13, 2020	\$3,131.80	\$3,131.80
State income taxes	January 15, 2020	January 13, 2020	450.83	450.83
Village of West Mansfield income tax	January 31, 2020	January 21, 2020	481.04	481.04
OPERS retirement	January 30, 2020	December 27, 2019	3,912.65	3,919.73

**Non-Payroll Cash Disbursements**

We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2019 and 10 from the year ended 2018 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 Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.
- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
- d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found no exceptions.

**Compliance – Budgetary**

1. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018 for the General, State Highway and Water Operating fund, as recorded in the Appropriation Status Report. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the 2019 and 2018 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$5,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).

### Compliance – Budgetary (Continued)

3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2019 and 2018 for negative cash fund balance. Ohio Rev. Code Section 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 inquired with the Village management and determined that the Village did not have a public records policy during the engagement period. **Ohio Rev. Code §149.43(E)(2)**, states, "all public offices shall adopt a public records policy in compliance with this section for responding to public records requests. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under section 109.43 of the Revised Code. Except as otherwise provided in this section, the policy may not limit the number of public records that the public office will make available to a single person, may not limit the number of public records that it will make available during a fixed period of time, and may not establish a fixed period of time before it will respond to a request for inspection or copying of public records, unless that period is less than eight hours. The public office shall distribute the public records policy adopted by the public office under this division to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy. The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site. A public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook." The Village should approve a public records policy to help avoid issues with public record requests.
2. We inquired with Village management and determined that the Village did not have any completed public records requests during the engagement period.
3. We inquired with Village management and determined that the Village did not have any denied public records requests during the engagement period.
4. We inquired with Village management and determined that the Village did not have any public records requests with redactions during the engagement period.
5. We inquired whether the Village has a records retention policy, and observed that it is readily available to the public. We found no exceptions.
6. We inquired with Village management and determined that the Village did not have a public records policy during the engagement period therefore could not provide it to the records custodian/manager. See Sunshine Law Compliance #1.
7. We inquired with Village management and determined that the Village did not have a public records policy during the engagement period therefore it could not be included in a policy manual. See Sunshine Law Compliance #1.
8. We inquired with Village management and determined that the Village did not have a public records policy during the engagement period therefore it could not be displayed in all branches of the Village. See Sunshine Law Compliance #1.



### **Sunshine Law Compliance (Continued)**

9. We selected the only application 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 one selected and the review of the schedules. We found no exceptions.
10. We inspected individual training certificates and determined whether each elected official (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office. We found no exceptions.
11. 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 are to be held. We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period 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.
13. We inspected the minutes from the engagement period 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 Section 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

### **Other Compliance**

Ohio Rev. Code Section 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, 2019 and 2018 in the Hinkle system. There were no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, 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.

This report is to provide 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, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

July 30, 2020

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF WEST MANSFIELD**

**LOGAN 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 8/27/2020**

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[www.ohioauditor.gov](http://www.ohioauditor.gov)