



OHIO AUDITOR OF STATE
KEITH FABER



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88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Malta
Morgan County
P.O. Box 307
Malta, Ohio 43758

We have performed the procedures enumerated below on the Village of Malta'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 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 noted the General Fund January 1, 2021 beginning fund balance recorded in the Cash Summary by Fund Report was \$44 more than the balance reported in the prior year working papers due to a voided check. 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.

Cash (Continued)

3. We agreed the 2022 and 2021 bank reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2022 and 2021 to the total fund cash balances reported in the Fund Status Report and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2022 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, 2022 bank reconciliation. We noted the confirmed balance was \$1,102 less than the amount appearing on the bank reconciliation due to the timing of interest postings on the bank statement.
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 Vendor Audit Trial 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 Receipt Register Report. The amounts agreed.
 - b. We inspected the Receipt Register 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 the second half manufactured home tax settlement receipt in 2021 was posted 100% to the General Fund instead of \$27 to the Street Construction, Maintenance and Repair Fund and \$41 to the Fire Protection Fund. We brought this to management's attention. They corrected the General, Street Construction, Maintenance and Repair and Fire Protections Funds' balances for this item. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.
 - c. We inspected the 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 Receipt Register Report to determine whether it included two real estate tax receipts for 2022 and 2021. The Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the total amount paid from the Ohio Department of Public Safety to the Village during 2022 and 2021 with the Bureau of Motor Vehicles. We found no exceptions.
 - a. We inspected the Receipt Register Report to determine whether these receipts were allocated to the proper funds. We found no exceptions.
 - b. We inspected the Receipt Register Report 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 Deposit Listing Summary Report. The amounts agreed.
 - b. We compared the Deposit Listing Summary Report total from procedure a. to the amount recorded as income tax receipts in the Receipt Register Report for that date. The amounts agreed.
 - c. We compared the date of the receipts to the date the receipts was posted in the Receipt Register Report to determine whether the receipts were recorded in the year received. We found no exceptions.
2. We selected five income tax refunds from 2022 and five from 2021.
 - a. We compared the refund paid from Payment Register Detail Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We observed the approval by Tax Commissioner on each of the refunds. We found no exceptions.
 - c. We observed the refunds were paid from the General Fund as is required.

Water Operating and Sewer Operating Fund

1. We selected 10 Water Operating and Sewer Operating Fund collection cash receipts from the year ended December 31, 2022 and 10 Water Operating and Sewer Operating Fund collection cash receipts from the year ended 2021 recorded in the Cash Receipts Journal Report and determined whether the:
 - a. Receipt amount per the Cash Receipts Journal Report agreed to the amount recorded to the credit of the customer's account in the Utility Billing Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Billing Balance Journal 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 Aged Customer Delinquent Report.
 - a. This report listed \$15,056 and \$11,667 of accounts receivable as of December 31, 2022 and 2021, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$7,273 and \$5,468 were recorded as more than 90 days delinquent.
3. We observed the Adjustment Journal Report.
 - a. This report listed a total of \$18,851 and \$17,762 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 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 for the OPWC and OWDA loans and the Village was in compliance with the debt covenants listed below for the truck loan.

Issue	Principal outstanding as of December 31, 2020:	Debt Covenant
Dodge Ram Truck Loan	\$31,600	<ul style="list-style-type: none"> • Late payments in excess of 10 days are subject to a penalty of the greater of 5% of the unpaid portion of the scheduled payment or \$50 • Also, the borrower must maintain insurance on the truck.
OPWC - #CR25N	\$265,319	No debt covenants
OPWC - #CT54Q	\$308,959	No debt covenants
OPWC - #CT64S	\$133,097	No debt covenants
OWDA - #3212	\$139,214	No debt covenants
OWDA - #4116	\$60,689	No debt covenants
OWDA - #6821	\$492,038	No debt covenants
OWDA - #5888	\$216,208	No debt covenants
OWDA - #5915	\$268,597	No debt covenants
OWDA - #7113	\$129,966	No debt covenants

2. We inquired of management and inspected the Receipt Register Report 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 General, Water Operating and Sewer Operating funds' payments reported in the Payment Register Detail Report. We found the Village posted \$18 more in interest and \$18 less in principal during 2021 for the dump truck loan than what the amortization schedule had. 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 Water Operating and Water Project funds per the Receipt Register Report. We found \$1,040 and \$544 of capitalized interest was not posted to the Village's ledgers during 2022 and 2021, respectively, for OWDA loan #9178. The capitalized interest should have been posted to Other Debt Proceeds and Interest and Fiscal Charges in the Water Projects Fund. We also found \$400 for a loan fee that was not posted to the Village's ledgers during 2021 for OWDA loan #9178. The loan fee should have been posted to Other Debt Proceeds and Interest and Fiscal Charges in the Water Projects Fund.
5. For new debt issued during 2022 and 2021, we inspected the debt legislation, which stated the Village must use the proceeds for water distribution system improvements. We inspected the Payment Register Detail Report and noted the Village had 8 on-behalf disbursements during 2022 and 9 on-behalf disbursements during 2021 to contractors via OWDA for the water distribution system improvements project.

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 Withholdings 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. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.

2. We selected three new employees and Council Members from 2022 and three new employees and Council Members from 2021 and:
 - a. We inspected the employees' and 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 General 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	January 31, 2023	January 3, 2023	\$1,929	\$1,929
State income taxes	January 15, 2023	January 3, 2023	\$417	\$417
Village of Malta income tax	April 18, 2023	January 3, 2023	\$211	\$211
OPERS retirement	January 30, 2023	January 3, 2023	\$3,475	\$3,475

We found no exceptions.

Non-Payroll Cash Disbursements

- 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 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 § 5705.41(D). We found four instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Mayor's Court Transactions and Cash Balances

1. We recalculated the December 31, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2022 and December 31, 2021 to the Mayor's Court Fund balance reported in the Fund Status Reports. The balances agreed.
3. We confirmed the December 31, 2022 bank account balance with the Mayor's Court financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the December 31, 2022 bank reconciliation without exception.
4. 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.
5. From the cash book, we selected one month from the year ended December 31, 2022 and one month from the year ended 2021 and determined whether:
 - a. 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.
 - b. 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, 2022 and 2021 for the General, Computer and Sewer Operating funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the Cash Summary by Fund Report for the years ended December 31, 2022 and 2021 for negative cash fund balances. Ohio Rev. Code § 5705.10(I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balance.

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.

Sunshine Law Compliance (Continued)

2. We noted the following:
 - 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. The 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 found the Village did not have a records custodian/manager and, therefore, the Public Records Policy could not be provided to them 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 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 found four Council members did not attend a certified three-hour Public Records Training for their term ended December 31, 2021, as required by Ohio Rev. Code § 109.43(B).
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.

HB 481 / HB 614 Coronavirus Relief Fund (CRF) Compliance

We inquired of management and those charged with governance and documented how the Village decided to spend their CRF allocations and how the Village documented their compliance with the CARES Act three-prong test. We then selected five transactions including payroll, non-payroll, and subgrant/subloan transactions and determined the Village:

- a. Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
- b. Maintained appropriate supporting documentation.

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. Financial information was filed on March 6, 2023 and March 8, 2022 which was not within the allotted timeframe.

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

October 19, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF MALTA

MORGAN 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 11/9/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
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