



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Wayne Lakes
Darke County
1052 Main Drive
Greenville, Ohio 45331

We have performed the procedures enumerated below on the Village of Wayne Lake'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 documentation in the prior year Basic Audit 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 balance with the Village's 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.
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 selected the reconciling credit (such as deposits in transit) from the December 31, 2022 bank reconciliation:
 - a. We traced the credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amount to the Receipt Detail Report and determined it was 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*, 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 other than one homestead and rollback receipt in 2022 that was not allocated to the proper funds (\$56.62 was incorrectly posted to the General Fund rather than the Road & Bridge Fund).
 - 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 the U.S. Army Corps of Engineers to the Village during 2022 and 2021 with the Agency. We found no exceptions.
 - a. We inspected the Receipt Detail Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Receipt Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Income Tax Receipts

1. We obtained the December 31, 2022 and 2021 Monthly Total Distributions 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. The amounts agreed.
2. We obtained the original income tax ordinance which set the rate and effective period. The original ordinance was dated January 1, 2019. We determined there were no additional (council or voter) approved amendments to the original ordinance. We agreed the most recent approved rate to the rate on RITA's supporting documentation. We found no exceptions.

Sewer Fund

1. We obtained the December 31, 2021 Total Distributions report submitted by Darke County, the organization responsible for collecting utility payments on behalf of the Village. We agreed the total gross utilities per year to the Village's Receipt Detail Report. The amounts agreed.

Debt

1. From the prior basic audit 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 was in compliance with the debt covenants listed below.

Issue	Principal outstanding as of December 31, 2020:	Debt Covenant
OPWC Loan CK06K	\$166,397	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.
General Fund Obligation Bonds	\$26,174	No such covenants.
Concession Stand Loan	\$2,523	No such covenants.
Land Contract – Municipal Building Loan	\$105,505	The entire unpaid balance of the Purchase Price, together with all unpaid and accrued interest and all other charges payable under this Contract, shall at Seller' option become immediately due and payable: (1) if Buyer is 90 days delinquent in monthly payment; (2) if Buyer fails to observe or perform any other provision, covenant or condition required of Buyer within 30 days after Seller gives notice to Buyer of Buyer' failure to observe or perform said provision, covenant or condition; (3) if Buyer abandons the Premises during the continuance of this Contract; (4) if an order for relief under

		<p>any bankruptcy laws of the United States is issued naming Buyer as debtor or if Buyer makes an assignment for the benefit of creditors or enters into a composition agreement with Buyer's creditors; (5) if the interest of Buyer in the Premises is attached, levied upon or seized by legal process; (6) if a trustee, receiver or liquidator is appointed on behalf of Buyer; (7) if this Contract is assigned in violation of its terms or is terminated by operation of law; or 8) upon the death of the Buyer. In any of such events Seller may, upon notice to Buyer as required by law, initiate proceedings for the foreclosure or forfeiture of Buyer's interests in this Contract and in the Premises.</p>
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2. We inquired of management and inspected the Receipt Detail 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 bonds and loans debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to General Fund, Road & Bridge Levy Fund, and Other Capital Projects 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 the following exceptions. During 2022, an OWDA loan principal payment in the amount of \$5,048.85 was incorrectly posted as capital outlay. During 2022, principal payments totaling \$4,822.77 for the Municipal Building Loan were incorrectly posted to interest and fiscal charges. During 2021 and 2022, Municipal Building Loan principal payments of \$20,000 were incorrectly posted to capital outlay.
4. We agreed the amount of debt proceeds received for 2022 and 2021 from the debt documents to amounts recorded in the Other Capital Projects fund per the Receipt Detail Report. 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 for a new sanitary sewer collection system. We inspected the Payment Register Detail Report and observed the Village made payments for a sewer project in 2021 and 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 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 minute record. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected four new employees from 2022:
- a. We inspected the employees' 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 except one employee did not have a W-4 Federal Form on file and three employees did not have an IT-4 State Form on file.
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	January 13, 2023	\$274.02	\$274.02
State income taxes	January 15, 2023	December 22, 2022	\$83.28	\$83.28
Village of Wayne Lakes income tax	January 15, 2023	December 26, 2022	\$87.83	\$87.83
OPERS retirement	January 30, 2023	December 26, 2022	\$702.24	\$702.24
Greenville City School District	January 15, 2023	December 22, 2022	\$44.02	\$44.02
Troy City School District	January 15, 2023	December 22, 2022	\$13.50	\$13.50

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 EFT and 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 one instance during 2021 and four instances during 2022 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.

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, Permissive Motor Vehicle License Tax and American Rescue Plan Act fund 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 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 Village management and determined that the Village did not have any completed public records requests during the engagement period. The Village did not have any denied public records requests during the engagement period. 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 inquired 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 inquired with Village management and determined that the Village did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 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. 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, 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 inquired of the fiscal officer and 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.

Related Party Transactions

1. We inquired with management and identified the following Related Party Transaction:
 - a. The Village purchased property from Diana Pethel while she was a Council Member for the Village.
We found no exceptions.
2. We confirmed the transactions with the other party. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions identified in procedure 1. We found no exceptions.

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 13, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WAYNE LAKES

DARKE 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

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