



**VILLAGE OF GAMBIER  
KNOX COUNTY**

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**



# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Gambier  
Knox County  
P.O. Box 1984  
Gambier, Ohio 43022

We have performed the procedures enumerated below on the Village of Gambier's, Knox County, Ohio, (the Village) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2020 and 2019 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, 2020 and 2019 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, 2020 and 2019, 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, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balances for each fund recorded in the Fund Cash Balance Statement to the December 31, 2018 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances for each fund recorded in the Fund Cash Balance Statement to the December 31, 2019 balances in the Fund Cash Balance Statement. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 and 2019 fund cash balances reported in the Fund Cash Balance Statement and the financial statements filed by the Village in the Hinkle System. The amounts agreed.

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4. We confirmed the December 31, 2020 bank account balances with the Village's financial institutions or we observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2020 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. There were no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2020 bank reconciliation:
  - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the Revenue Report and determined they were dated prior to December 31. We found no exceptions.
7. We inspected investments held at December 31, 2020 and December 31, 2019 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We noted no exceptions.

#### **Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a total of five receipts from the State Distribution Transaction Listing (DTL) and the Knox County Auditor's disbursement ledgers for 2020 and a total of five from 2019:
  - a. We compared the amount from the above named reports to the amount recorded in the Revenue Report. The amounts agreed.
  - b. We inspected the Revenue 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 Revenue 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 confirmed the individual amounts paid from the Ohio Bureau of Workers' Compensation to the Village during 2020. We found no exceptions.
  - a. We inspected the Revenue Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We inspected the Revenue 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 2020 and five from 2019.
  - a. We compared the payment amount recorded on the tax return to the amount recorded on the Income Tax Payment Journal. The amounts agreed.
  - b. We compared the Income Tax Payment Journal total from procedure a. to the amount recorded as income tax receipts in the Revenue Report for that date. The amounts agreed.

2. We compared the date of the receipts to the date the receipts was posted in the Revenue Report to determine whether the receipts were recorded in the year received. We found no exceptions.
3. We selected five income tax refunds from 2020 and five from 2019.
  - a. We compared the refund paid from the Expense Report to the refund amount requested in the tax return. The amounts agreed.
  - b. We observed the approval by the Fiscal Officer on each of the refunds. No exceptions were found.
  - c. We observed the refunds were paid from the General Fund, as is required.

### **Water, Sewer, and Storm Water Receipts**

1. We selected 10 Water, Sewer, and Storm Water Fund collection cash receipts from the year ended December 31, 2020 and 10 Water, Sewer, and Storm Water Fund collection cash receipts from the year ended 2019 recorded in the Revenue Report and determined whether the:
  - a. Receipt amount per the Revenue Report agreed to the amount recorded to the credit of the customer's account in the Daily Cash Receipts Journal. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Customer History Report for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the audit 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 Customer Balance Report and Aged Customer Balance Report.
  - a. The Customer Balance Report listed \$2,506.04 and \$968.66 of accounts receivable as of December 31, 2020 and 2019, respectively.
  - b. Of the total receivables reported in the preceding procedure, \$272.92 and \$143.99 were recorded as more than 90 days delinquent in the Aged Customer Balance Report.
3. We observed the Daily Cash Receipts Journal.
  - a. This report listed a total of \$104.82 and (\$332.74) non-cash receipts adjustments for the years ended December 31, 2020 and 2019, respectively.
  - b. We selected five non-cash adjustments from 2020 and five non-cash adjustments from 2019. We noted the Village Administrator did not approved 3 of the adjustments selected from 2019 and did not approve all 5 of the adjustments selected from 2020.

### **Debt**

1. From the prior agreed-upon procedures documentation, we observed the following loans were outstanding as of December 31, 2018. These amounts agreed to the Village's January 1, 2019 balances on the summary we used in procedure 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2018:</b>
OPWC Loan (CQ12R)	\$53,088
OPWC Loan (CQ04F)	\$27,110

2. We inquired of management, and inspected the Revenue Report and Expense Report for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt payment activity agreed to the summary we used in procedure 3.
3. We obtained a summary of loan debt activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedules to Water Fund payments reported in the Expense 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. For new debt issued during 2019, we inspected the debt documents, which stated the Village must use the \$40,000 loan proceeds for the wastewater treatment plant mechanical influent screen replacement. We noted the Ohio Public Works Commission (OPWC) made this loan payment on behalf of the Village to Workman Industrial Services, Inc. for the wastewater treatment plant mechanical influent screen replacement. However, we noted the Village did not record this activity in the accounting ledgers.

#### **Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2020 and one payroll check for five employees from 2019 from the Employee History Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee History Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
    - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
    - ii. We agreed these items to the information used to compute gross and net pay related to this check.  
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 inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2020 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 2020. 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	January 31, 2021	January 7, 2021	\$2,108.67	\$2,108.67
State income taxes	January 15, 2021	January 7, 2021	1,301.42	1,301.42
Local income tax	January 30, 2021	January 7, 2021	681.45	681.45
OPERS retirement	January 30, 2021	January 7, 2021	6,667.84	6,667.84

### **Non-Payroll Cash Disbursements**

1. We selected 10 disbursements from the Expense Report for the year ended December 31, 2020 and 10 from the year ended 2019 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 Expense 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 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, 2020 and 2019 for the General, Street Maintenance, and Water Funds, as recorded in the Fund Cash Balance Statement. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the Cash Summary by Fund Report for the years ended December 31, 2020 and 2019 for negative cash fund balance. 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 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 selected five 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 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) and 149.43(B)(3). We found no exceptions.
4. We inquired with Village management and determined that the Village did not have written evidence that the public records policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).

5. We inspected the Village's policy manual and determined the public records policy was 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 selected five applications 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 five selected and the review of the schedules. This was required by Ohio Rev. Code § 149.39. (Note: the records retention schedule is not the same policy as the public records policy.) We found no exceptions.
8. We inspected individual training certificates 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.

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

1. We inquired of management and those charged with governance and documented how the Village decided to spend their CRF allocations and how the Village evaluated and documented their compliance with the CARES Act three-prong test. We then selected five 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.



2. We recalculated the unencumbered balance the local government paid back to the county treasurer and determined the proper amount was repaid. We also compared the date of the repayment to the required date of November 20, 2020 and determined the payment was made in a timely manner. 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, 2020 and 2019 in the Hinkle system. There were no exceptions.
2. We inquired of the Fiscal Officer and inspected the Fiscal Integrity Act training certificate to determine whether the Fiscal Officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. The Fiscal Officer obtained the required training.
3. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list(s) of authorized users, and
  - a list of all credit card account transactions.
  - a. We inspected the established policy obtained above and determined it is:
    - i. in compliance with the HB 312 statutory requirements, and
    - ii. implemented by the entity.We found no exceptions.
  - b. We selected 1 credit card transaction from each account for testing. For selected transactions we inspected documentation to determine that:
    - i. Use was by an authorized user within the guidelines established in the policy, and
    - ii. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
  - c. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
    - i. No unpaid beginning balance was carried forward to the current billing cycle,
    - ii. Ending statement balance was paid in full, and
    - iii. Statement contained no interest or late fees.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.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

August 25, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF GAMBIER**

**KNOX 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 9/21/2021**

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