

**VILLAGE OF ASHLEY**  
**DELAWARE COUNTY, OHIO**

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED**  
**DECEMBER 31, 2022 & 2021**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Ashley  
3 North Harrison Street  
Ashley, Ohio 43003

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Village of Ashley, Delaware County, prepared by Julian & Grube, Inc., for the period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Ashley is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

December 19, 2023

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## Independent Accountants' Report On Applying Agreed-Upon Procedures

Village of Ashley  
Delaware County  
3 North Harrison Street  
Ashley, Ohio 43003

We have performed the procedures enumerated below on the Village of Ashley'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. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. 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 opinion unit recorded in the Cash Summary by Fund Report to the December 31, 2020 balances in the prior year audited statements. 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 two funds in which the January 1, 2022 beginning fund balance did not agree to the December 31, 2021 ending fund balance, in the total amount of \$274, due to the Village properly voiding two outstanding prior year checks.
3. We agreed the 2022 and 2021 bank reconciliation UAN Balances and Adjusted Bank Balances 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 Ohio Pooled Collateral System. 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.

#### **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 Vendor 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 Export Report. The amounts agreed.
  - b. We inspected the Receipt Export 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 Export 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 Export Report to determine whether it included two real estate tax receipts for 2022 and 2021. The Receipt Export Report included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the individual amount paid from the Ohio Water Development Authority (OWDA) directly to a contractor on the Village's behalf during 2021 with OWDA. We found that the on-behalf payment in the amount of \$128,188, was not recorded by the Village.
  - a. We inspected the Receipt Export Report to determine whether this receipt was allocated to the proper fund. We found the receipt was not recorded.
  - b. We inspected the Receipt Export Report to determine whether the receipt was recorded in the proper year. We found the receipt was not recorded.

#### **Income Tax Receipts**

1. We obtained the December 31, 2022 and 2021 Monthly Distributions Summary Report 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 Export Report. The amounts agreed.
2. We obtained the original income tax ordinance which set the rate and effective period. The original ordinance was dated 5/6/2015. 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.

#### **Water and Sewer Operating Funds**

1. We selected 10 Water and Sewer Operating Funds collection cash receipts from the year ended December 31, 2022 and 10 Water and Sewer Operating Funds collection cash receipts from the year ended 2021 recorded in the Receipt Export Report and determined whether the:
  - a. Receipt amount per the Receipt Export Report agreed to the amount recorded to the credit of the customer's account in the Utility Billing Transaction History Report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Utility Billing Transaction History 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.

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- c. Receipt was posted to the proper funds and was recorded in the year received. We found no exceptions.
2. The Village's utility billing software was unable to provide archived balances for accounts receivable as of December 31, 2022 and 2021. Without an accounts receivable system that is able to provide archived accounts receivable reports, the Village is limited in their ability to review information on past operations and accounts. We noted the Village acquired a new utility billing software, subsequent to December 31, 2022, that is able to provide archived accounts receivable reports.
3. The Village's utility billing software was unable to provide archived non-cash accounts receivable adjustment reports as of December 31, 2022 and 2021. We noted the Village acquired a new utility billing software, subsequent to December 31, 2022, that is able to provide archived reports.

**Debt**

1. From the prior audit documentation, we observed the following notes and loans were outstanding as of December 31, 2020.
  - a. These amounts did not agree to January 1, 2021 balances on the summary we used in procedure 3 as noted in the below table.
  - b. We inspected the debt's issuance documents for all outstanding debt, and we confirmed the Village does not have any debt covenants.

| Issue   | Principal outstanding as of December 31, 2020: | Variance  | Principal outstanding as of December 31, 2020 (Summary) |
|---|--|-----------|---|
| Ohio Public Works Commission (OPWC) (CQ07T) - WWTP Improvements | \$307,706                                      | \$0       | \$307,706   |
| OPWC (CQ20K) - Sanitary Sewer Collection                        | \$276,994                                      | \$7,487   | \$284,481   |
| OPWC (CQ27D) - Storm Sewer Improvements                         | \$6,000  | \$0       | \$6,000   |
| OPWC (CQ32A) - WWTP Update                                      | \$4,838  | (\$4,838) | \$0   |
| OPWC (CQ47U) - Water Line Replacement                           | \$394,271                                      | \$2       | \$394,272   |
| OWDA (7870) – WWTP Improvements                                 | \$525,193                                      | \$67,547  | \$592,740   |
| First Commonwealth Bank (FCB) Water Tower Loan                  | \$15,748                                       | \$376     | \$16,124  |

2. We inquired of management and inspected the Receipt Export Report and Payment Export 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 except for OWDA on behalf proceeds in the amount of \$128,188 for loan #7870.
3. We obtained a summary of notes and loans debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to Street Construction, Maintenance and Repair, Sewer Debt Service, Water Debt Service, FCB Water Tower Loan, and WWTP OWDA Loan fund payments reported in the Payment Export Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found one payment in 2022 and three payments in 2021 dated after the due date.
4. We agreed the amount of debt proceeds received for 2021 from the debt documents to amounts recorded in the WWTP Project fund per the Receipt Export Report. The amounts did not agree. \$128,188 of on behalf payments were not recorded.
5. For new debt issued during 2021, we inspected the debt legislation, which stated the Village must use the proceeds for the Wastewater Treatment Plant Improvements. We inspected the Payment Export Report and observed the Village began a Wastewater Treatment Plant Expansion in October 2017. We found the on behalf payment was not recorded.

**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). In 2022, we found one instance where a council member was overpaid \$25 for attending a special council meeting in which there was no evidence provided that they were in attendance. This was brought to management's attention and, as of the date of this report, the council member has repaid this amount to the Village's General Fund. Additionally, in 2022, we found one employee in which management was unable to provide approval for their pay rate, however it was determined to be consistent with other employees in the same position. Because we did not compare all timecards, our report provides no assurance whether or not other similar errors occurred.
  - 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 one exception in 2022, where an employee's pay was charged to funds and account codes inconsistent with the hours worked per the employees' timesheet, resulting in the General, Water Operating, and Sewer Operating Funds being charged \$50, \$34, and \$17, respectively, for hours that should have been charged to the Parks and Recreation Fund (\$101). This was brought to management's attention and, as of the date of this report, the Village has corrected the respective fund balances.
  - 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'/Council Members' personnel files and/or minute record for the Retirement system, Federal & State income tax withholding authorization.
  - b. We agreed the items in a above to the Employee General Information Report.  
 We found one employee in 2021, in which no State income tax withholding authorization was provided, however State income tax was being withheld.
  
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:

| <b>Withholding<br/>(plus employer share, where applicable)</b>  | <b>Date<br/>Due</b> | <b>Date<br/>Paid</b> | <b>Amount<br/>Due</b> | <b>Amount<br/>Paid</b> |
|---|---------------------|----------------------|-----------------------|------------------------|
| Federal income taxes & Medicare<br>(and social security, for employees not enrolled<br>in pension system) | January 31, 2023    | December 31, 2022    | \$1,723               | \$1,723                |
| State income taxes  | January 15, 2023    | December 31, 2022    | \$357                 | \$357                  |
| Buckeye Valley Local School District income tax   | January 15, 2023    | December 31, 2022    | \$120                 | \$120                  |
| Village of Ashley income tax  | January 31, 2023    | December 31, 2022    | \$558                 | \$558                  |
| City of Delaware income tax   | January 31, 2023    | January 9, 2023      | \$249                 | \$249                  |
| OPERS retirement  | January 31, 2023    | December 30, 2022    | \$2,692               | \$2,692                |
| OP&F retirement   | January 31, 2023    | December 30, 2022    | \$2,098               | \$2,098                |

We found no exceptions.



### Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Export 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 or electronic debits on the bank statement agreed to the check number, date, payee name and amount recorded in the Payment Export 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 for 2021. For 2022, we found two payments where certain amounts were paid from funds not consistent with the restricted purpose for which the fund's cash can be used. One payment in 2022 included amounts for monthly electric service for Village owned streetlights that were improperly charged to the Street Construction Maintenance and Repair Fund and the State Highway Fund in the amount of \$769 and \$335, respectively, instead of the General Fund. The second payment in 2022, improperly allocated \$44 from one natural gas invoice to the Village's Sewer Operating Fund, when it should have been recorded in the Village's Street Construction, Maintenance and Repair Fund. Both of these payments were brought to management's attention and, as of the date of this report, the Village has corrected the respective fund balances via a cash fund balance adjustment to the General Fund.
  - 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, 2022 and 2021 for the General, WWTP OWDA Loan and Utility Deposit funds as recorded in the Appropriation Status Reports, which for 2021 appropriations exceeded Council approved appropriations in the General and Utility Deposit funds by \$6,000 and \$5,825, respectively. Expenditures did not exceed appropriations.
2. We inspected the 5 largest interfund transfers from 2022 and the 5 largest from 2021 Revenue Status Report and Appropriation Status Report for compliance with Ohio Rev. Code §§ 5705.14 - .16. We found evidence of two transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner. During 2022, the Village transferred \$83,761 and \$83,761, from the American Rescue Plan Act Fund to the Waterline Replacement Project Fund and the WWTP Project Fund, respectively. These transfers, although not allowable under the Ohio Revised Code, were expensed from the receiving funds for purposes allowable under the American Rescue Plan Act, therefore no cash fund balance adjustment is necessary.
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.

### 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.

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2. We inquired with Village management and determined that the Village did not have any public records requests (received, completed, denied or redacted) 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). The Village does not have a specified custodian/manager and therefore was unable to provide written evidence.
5. We inspected the Village's policy manual and determined the public records policy was not included as required by Ohio Rev. Code § 149.43(E)(2).
6. We were unable to observe 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).
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, nor did the Records Commission meet, nor has the Village established a Records Commission.
8. We were unable to inspect individual proof of attendance as no Village elected official or his/her designee were able to provide proof of successfully attending a certified three-hour Public Records Training for each term of office 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 were unable to determine the purpose going into an executive session (when applicable) as the minutes did not specify a matter when entering into executive sessions.

### **Contract Compliance**

1. We inspected the Minutes and Payment Export Report 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 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.

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.



Julian & Grube, Inc.  
October 25, 2023

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF ASHLEY**

**DELAWARE 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 1/2/2024**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)