



**VILLAGE OF BURGOON
SANDUSKY COUNTY
Regular Audit
For the Years Ended December 31, 2018 and 2017**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
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1310 Market St., #300
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KEITH FABER

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Members of Council
Village of Burgoon
2580 Zilphia Street
Burgoon, Ohio 43407

We have reviewed the *Independent Auditor's Report* of the Village of Burgoon, Sandusky County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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 Burgoon is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2019

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VILLAGE OF BURGOON
SANDUSKY COUNTY

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INDEPENDENT AUDITOR'S REPORT

April 26, 2019

Village of Burgoon
Sandusky County
2580 Zilphia Street
P.O. Box 56
Burgoon, OH 43407

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the **Village of Burgoon**, Sandusky County, Ohio (the Village) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2018 and 2017, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Burgoon, Sandusky County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2019, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF BURGOON
SANDUSKY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Property and Other Local Taxes	\$ 22,442	\$ 2,520	\$ 24,962
Intergovernmental	9,765	6,924	16,689
Fines, Licenses and Permits	991	-	991
Earnings on Investments	201	201	402
Miscellaneous	159	-	159
	<u>33,558</u>	<u>9,645</u>	<u>43,203</u>
<i>Total Cash Receipts</i>			
Cash Disbursements			
Current:			
Security of Persons and Property	3,306	-	3,306
Leisure Time Activities	4,440	-	4,440
Basic Utility Services	6,000	-	6,000
Transportation	-	1,132	1,132
General Government	15,890	-	15,890
	<u>29,636</u>	<u>1,132</u>	<u>30,768</u>
<i>Total Cash Disbursements</i>			
<i>Excess of Receipts Over Disbursements</i>	<u>3,922</u>	<u>8,513</u>	<u>12,435</u>
Other Financing Receipts (Disbursements)			
Other Financing Sources	1	-	1
Other Financing Uses	(591)	-	(591)
	<u>(590)</u>	<u>-</u>	<u>(590)</u>
<i>Total Other Financing Receipts (Disbursements)</i>			
<i>Net Change in Fund Cash Balances</i>	3,332	8,513	11,845
<i>Fund Cash Balances, January 1</i>	<u>40,259</u>	<u>82,082</u>	<u>122,341</u>
Fund Cash Balances, December 31			
Restricted	-	90,595	90,595
Assigned	18,176	-	18,176
Unassigned	25,415	-	25,415
	<u>43,591</u>	<u>90,595</u>	<u>134,186</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 43,591</u>	<u>\$ 90,595</u>	<u>\$ 134,186</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF BURGOON
SANDUSKY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 55,630
<i>Total Operating Cash Receipts</i>	55,630
Operating Cash Disbursements	
Personal Services	24
Contractual Services	12,599
Supplies and Materials	351
<i>Total Operating Cash Disbursements</i>	12,974
<i>Operating Income</i>	42,656
Non-Operating (Disbursements)	
Principal Retirement	(10,297)
Interest and Other Fiscal Charges	(19,989)
Other Financing Uses	(238)
<i>Total Non-Operating (Disbursements)</i>	(30,524)
<i>Income before Transfers</i>	12,132
Transfers In	25,000
Transfers Out	(25,000)
<i>Net Change in Fund Cash Balances</i>	12,132
<i>Fund Cash Balances, January 1</i>	148,269
<i>Fund Cash Balances, December 31</i>	\$ 160,401

The notes to the financial statements are an integral part of this statement.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1 – Reporting Entity

The Village of Burgoon (the Village), Sandusky County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities. The Village residents contact the Sandusky County Sheriff's Department to provide security of persons and property and the Bettsville Volunteer Fire Department to receive fire protection services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds - These funds account for and report the proceeds of specific sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village has the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund – The Street Construction, Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license tax registration fees restricted for construction, maintenance and repair of streets within the Village.

Enterprise Funds - These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Sewer Operating Fund – The Sewer Operating Fund receives charges for services from residents to cover sewer service costs.

Sewer Reserve Fund – The Sewer Reserve Fund receives transfers from the Sewer Fund to reserve funds for maintenance and repairs for the sewer.

Sewer Sinking Fund – The Sewer Sinking Fund receives transfers from the Sewer Fund to pay principle and interest on the Sanitary Sewer Revenue Bonds.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources – Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted – Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed – Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Sewer Sinking Fund by \$29,015 for the year ended December 31, 2018.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 39,100	\$ 33,559	\$ (5,541)
Special Revenue	10,200	9,645	(555)
Enterprise	87,000	80,630	(6,370)
Total	\$ 136,300	\$ 123,834	\$ (12,466)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 53,031	\$ 30,773	\$ 22,258
Special Revenue	54,000	1,132	52,868
Enterprise	110,369	68,498	41,871
Total	\$ 217,400	\$ 100,403	\$ 116,997

Note 5 - Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2018
Demand deposits	\$ 294,587
Total deposits	\$ 294,587

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

At December 31, 2018, \$45,093 of deposits were not insured or collateralized, contrary to Ohio law.

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 7 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability,
- Vehicles; and
- Errors and omissions.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

Social Security

Village Council Members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has not paid all contributions required through December 31, 2018.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018.

Note 10 – Debt

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest
Sewer System MortgageRevenue Bonds	\$ 465,600	4.125%
Ohio Water Development Authority Loan	42,822	1.00%
	\$ 508,422	

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 10 – Debt (Continued)

The Ohio Water Development Authority (OWDA) loan #4579 relates to a sewer system construction project the Ohio Environment Protection Agency mandated. The OWDA approved \$65,722 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,270.50, including interest, over 30 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The United States Department of Agriculture Sanitary Sewer Revenue Bonds relate to a wastewater treatment system project. The USDA approved \$535,000 in bonds to the Village for this project. The Village will repay the bonds in annual installments over 39 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the bond requirements.

The sanitary sewer revenue bond covenant requires the Village to establish and fund a sewer reserve fund, a sewer sinking fund, and sewer surplus fund. The balance in the sewer reserve fund at December 31, 2018 is \$30,408. The balance in the sewer sinking fund at December 31, 2018 is \$28,131.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Mortgage Revenue Bonds	OWDA Loan
2019	\$ 27,906	\$ 2,541
2020	27,747	2,541
2021	27,880	2,541
2022	27,792	2,541
2023	27,792	2,541
2024-2028	139,140	12,706
2029-2033	139,115	12,706
2034-2038	139,016	8,895
2039-2043	139,106	-
2044-2047	111,294	-
Total	<u>\$ 806,788</u>	<u>\$ 47,012</u>

Note 11 – Related Party Transactions

The Village independently contracts with a direct relative of the Mayor to perform sewer billing services. The Village paid \$728 for this service in 2018.

Note 12 – Interfund Transfers

During 2018, the Village approved the following transfers:

Transfers from the Sewer Operating Fund to:

Sewer Sinking Fund	\$25,000
--------------------	----------

The transfers represent the allocation of Sewer Operating Funds to comply with debt covenant requirements.

**VILLAGE OF BURGOON
SANDUSKY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Property and Other Local Taxes	\$ 23,913	\$ 2,694	\$ 26,607
Intergovernmental	9,301	7,535	16,836
Fines, Licenses and Permits	938	-	938
Earnings on Investments	193	193	386
<i>Total Cash Receipts</i>	<u>34,345</u>	<u>10,422</u>	<u>44,767</u>
Cash Disbursements			
Current:			
Security of Persons and Property	4,007	-	4,007
Leisure Time Activities	3,857	-	3,857
Basic Utility Services	7,999	-	7,999
Transportation	-	7,097	7,097
General Government	14,514	-	14,514
<i>Total Cash Disbursements</i>	<u>30,377</u>	<u>7,097</u>	<u>37,474</u>
<i>Excess of Receipts Over Disbursements</i>	<u>3,968</u>	<u>3,325</u>	<u>7,293</u>
Other Financing Receipts (Disbursements)			
Other Financing Sources	140	-	140
Other Financing Uses	(119)	-	(119)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>21</u>	<u>-</u>	<u>21</u>
<i>Net Change in Fund Cash Balances</i>	3,989	3,325	7,314
<i>Fund Cash Balances, January 1 (Restated - See Note 13)</i>	<u>36,270</u>	<u>78,757</u>	<u>115,027</u>
Fund Cash Balances, December 31			
Restricted	-	82,082	82,082
Assigned	14,023	-	14,023
Unassigned	26,236	-	26,236
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 40,259</u></u>	<u><u>\$ 82,082</u></u>	<u><u>\$ 122,341</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF BURGOON
SANDUSKY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 55,643
<i>Total Operating Cash Receipts</i>	55,643
Operating Cash Disbursements	
Personal Services	1,194
Contractual Services	18,475
Supplies and Materials	3,373
<i>Total Operating Cash Disbursements</i>	23,042
<i>Operating Income</i>	32,601
Non-Operating (Disbursements)	
Principal Retirement	(10,078)
Interest and Other Fiscal Charges	(20,338)
<i>Total Non-Operating (Disbursements)</i>	(30,416)
<i>Income before Transfers</i>	2,185
Transfers In	30,000
Transfers Out	(30,000)
<i>Net Change in Fund Cash Balances</i>	2,185
<i>Fund Cash Balances, January 1</i>	146,084
<i>Fund Cash Balances, December 31</i>	\$ 148,269

The notes to the financial statements are an integral part of this statement.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1 – Reporting Entity

The Village of Burgoon (the Village), Sandusky County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities. The Village residents contact the Sandusky County Sheriff's Department to provide security of persons and property and the Bettsville Volunteer Fire Department to receive fire protection services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds - These funds account for and report the proceeds of specific sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village has the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund – The Street Construction, Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license tax registration fees restricted for construction, maintenance and repair of streets within the Village.

Enterprise Funds - These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Sewer Operating Fund – The Sewer Operating Fund receives charges for services from residents to cover sewer service costs.

Sewer Reserve Fund – The Sewer Reserve Fund receives transfers from the Sewer Fund to reserve funds for maintenance and repairs for the sewer.

Sewer Sinking Fund – The Sewer Sinking Fund receives transfers from the Sewer Fund to pay principle and interest on the Sanitary Sewer Revenue Bonds.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources – Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2017 budgetary activity appears in Note 4.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted – Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed – Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Sewer Sinking Fund by \$27,874 for the year ended December 31, 2017.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 37,000	\$ 34,485	\$ (2,515)
Special Revenue	9,000	10,422	1,422
Enterprise	57,000	85,643	28,643
Total	\$ 103,000	\$ 130,550	\$ 27,550

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 58,566	\$ 30,869	\$ 27,697
Special Revenue	31,000	7,097	23,903
Enterprise	109,920	84,513	25,407
Total	\$ 199,486	\$ 122,479	\$ 77,007

Note 5 - Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2017
Demand deposits	\$ 270,610
Total deposits	\$ 270,610

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

At December 31, 2017, \$22,334 of deposits were not insured or collateralized, contrary to Ohio law.

Note 6 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 7 – Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability,
- Vehicles; and
- Errors and omissions.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

Social Security

Village Council Members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017.

Note 10 – Debt

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest
Sewer System Mortgage Revenue Bonds	\$ 473,800	4.125%
Ohio Water Development Authority Loan	44,919	1.00%
	\$ 518,719	

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 10 – Debt (Continued)

The Ohio Water Development Authority (OWDA) loan #4579 relates to a sewer system construction project the Ohio Environment Protection Agency mandated. The OWDA approved \$65,722 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$1,270.50, including interest, over 30 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The United States Department of Agriculture Sanitary Sewer Revenue Bonds relate to a wastewater treatment system project. The USDA approved \$535,000 in bonds to the Village for this project. The Village will repay the bonds in annual installments over 39 years. Sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the bond requirements.

The sanitary sewer revenue bond covenant requires the Village to establish and fund a sewer reserve fund, a sewer sinking fund, and sewer surplus fund. The balance in the sewer reserve fund at December 31, 2017 is \$30,408. The balance in the sewer sinking fund at December 31, 2017 is \$32,146.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Mortgage Revenue Bonds	OWDA Loan
2018	\$ 27,744	\$ 2,541
2019	27,906	2,541
2020	27,747	2,541
2021	27,880	2,541
2022	27,792	2,541
2023-2027	139,109	12,706
2028-2032	139,092	12,706
2033-2037	139,115	11,436
2038-2042	139,064	-
2043-2047	139,083	-
Total	<u>\$ 834,532</u>	<u>\$ 49,553</u>

Note 11 – Related Party Transactions

The Village independently contracts with a direct relative of the Mayor to perform sewer billing services. The Village paid \$463 for this service in 2017.

Note 12 – Interfund Transfers

During 2017, the Village approved the following transfers:

Transfers from the Sewer Operating Fund to:

Sewer Sinking Fund	\$30,000
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The transfers represent the allocation of Sewer Operating Funds to comply with debt covenant requirements.

VILLAGE OF BURGOON
SANDUSKY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 13 – Restatement of Fund Balances

The Village's fund cash balances at January 1, 2017 have been restated for a check from 2016 that was voided in 2017. This adjustment resulted in the following changes in fund balances at January 1, 2017:

	<u>General Fund</u>
Fund Balance at December 31, 2017 as Previously Reported	\$ 36,242
Voided Check	<u>28</u>
Fund Balance January 1, 2017 as Restated	<u>\$ 36,270</u>

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304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St., Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

April 26, 2019

Village of Burgoon
Sandusky County
P.O. Box 56, 2580 Zilphia Street
Burgoon, OH 43407

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the **Village of Burgoon**, Sandusky County (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated April 26, 2019, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings, that we consider material weaknesses. We consider findings 2018-001 and 2018-003 to be material weaknesses.

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Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2018-001 through 2018-004.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated April 26, 2019.

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

VILLAGE OF BURGOON
SANDUSKY COUNTY
SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2018-001

Noncompliance/Material Weakness

Posting Receipts, Disbursements, and Fund Balance Classification

The Village should have procedures and controls in place to prevent and detect errors in financial reporting. Fund balances should be properly classified based on Governmental Accounting Standards Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

During 2018 and 2017, receipts, disbursements, and fund balances were not always posted or classified correctly. The following posting errors were noted:

- **Ohio Revised Code Section 5705.10(D)** – Receipts for sewer charges assessed to taxes were recorded as Property and Other Taxes and Intergovernmental in the General Fund instead of Charges for Services in the Sewer Operating Fund in 2018 and 2017;
- Several receipts were posted in UAN twice and were not always posted to the correct fund in 2018;
- One manufactured homes rollback receipt was not posted in UAN in 2017;
- One payment of late fees on an OPERS payment was not posted in UAN in 2017;
- The allocation of principal and interest on debt payments was not correct in 2018 and 2017;
- An audit adjustment from the 2015-2016 audit was made incorrectly in 2017;
- During 2018 and 2017, subsequent year appropriations over estimated receipts within the General Fund were classified as unassigned fund balance rather than assigned.

Not posting receipts, disbursements, and fund balances accurately resulted in the financial statements requiring several adjustments and reclassifications. The Village has made the adjustments to their accounting system. The financial statements reflect all adjustments and reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all receipts and disbursements are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Officer’s Handbook for guidance to determine the proper establishment of receipts and disbursement accounts and posting receipts and disbursements. The Fiscal Officer should refer to Auditor of State Technical Bulletin 2011-004 for assistance in properly classifying fund balances.

Officials’ Response: I was hired January 2019. Policies and procedures were not followed by two previous Fiscal Officers. Steps are being taken to rectify deficiencies.

FINDING NUMBER 2018-002

Noncompliance

Ohio Revised Code Section 5705.41(B) provides no subdivision shall make any expenditure of money unless it has been lawfully appropriated.

In 2018 and 2017, we noted expenditures exceeding appropriations in the Sewer Sinking Fund by \$29,015 and \$27,874, respectively.

VILLAGE OF BURGOON
SANDUSKY COUNTY
SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
--

FINDING NUMBER 2018-002 (Continued)

Noncompliance (Continued)

Inadequate policies and procedures in reviewing and approving budgetary information resulted in these errors. We recommend the Fiscal Officer and Council review and amend appropriations whenever necessary to help reduce the possibility of expenditures exceeding appropriations, provided sufficient resources are available.

Officials' Response: I was hired January 2019. Policies and procedures were not followed by two previous Fiscal Officers. Steps are being taken to rectify deficiencies.

FINDING NUMBER 2018-003

Noncompliance/Material Weakness

Ohio Revised Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision's fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

VILLAGE OF BURGOON
SANDUSKY COUNTY
SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
--

FINDING NUMBER 2018-003 (Continued)

Noncompliance/Material Weakness (Continued)

3. Super Blanket Certificate – The entity may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 20% of the expenditures tested for 2018 and for 36% of the expenditures tested for 2017.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

Officials' Response: I was hired January 2019. Policies and procedures were not followed by two previous Fiscal Officers. Steps are being taken to rectify deficiencies.

FINDING NUMBER 2018-004

Noncompliance

26 U.S.C. Section 3402(a)(1) states that except as otherwise provided in this section, every employer making payments of wages shall deduct and withhold such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary. Furthermore, **26 U.S.C. Section 3403** states that an employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter, and shall not be liable to any person for the amount of any such payment. Also, **Ohio Revised Code Section 5747.06(A)** states that except as provided in division (E)(3) of this section, every employer, including the state and its political subdivisions, maintaining an office or transacting business within this state and making payment of any compensation to an employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a tax computed in such manner as to result, as far as practicable, in withholding from the employee's compensation during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due from the employee under this chapter and Chapter 5748 of the Revised Code with respect to the amount of such compensation included in the employee's adjusted gross income during the calendar year.

During 2018, the Internal Revenue Service was due \$527 in Social Security and Medicare withholdings, as well as the employer share. We noted that \$101 of this amount was paid, and \$426 of this amount has not been paid as of the date of this report.

During 2017, the Internal Revenue Service was due \$582 in Social Security and Medicare withholdings, as well as the employer share. We noted that \$1,314 was paid, resulting in an overpayment of \$732. This overpayment was due to an incorrect amount entered for Social Security wages on Form 944, which resulted in the IRS incorrectly assessing an additional amount from the Village.

VILLAGE OF BURGOON
SANDUSKY COUNTY
SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
--

FINDING NUMBER 2018-004 (Continued)

Noncompliance (Continued)

The Village should remit withholdings to the appropriate federal agency in a timely manner. Additionally, the Village should review payroll records and remit any unpaid withholdings due. This will help ensure the Village complies with various federal laws and reduce the likelihood of interest and penalties. We also recommend that the Village contact the IRS regarding the overpayment noted above and pay the amount due for 2018.

Officials' Response: I was hired January 2019. Policies and procedures were not followed by two previous Fiscal Officers. Steps are being taken to rectify deficiencies.

VILLAGE OF BURGOON
SANDUSKY COUNTY
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Posting Receipts, Disbursements, and Fund Balance Classification	Not Corrected	Repeated as Finding 2018-001
2016-002	Ohio Revised Code Section 5705.39 – Appropriations Exceed Estimated Resources	Corrected	N/A
2016-003	Ohio Revised Code Section 5705.41(D) – Certificate of Fiscal Officer	Not Corrected	Repeated as Finding 2018-003

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OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF BURGOON

SANDUSKY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 6, 2019**