

VILLAGE OF BEALLSVILLE

AUDIT REPORT

JANUARY 1, 2018 - DECEMBER 31, 2019

**Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd. Building G
Zanesville, Ohio 43701**



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Columbus, Ohio 43215
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Village Council
Village of Beallsville
43067 Ohio Avenue, PO Box E
Beallsville, Ohio 43716

We have reviewed the *Independent Auditor's Report* of the Village of Beallsville, Monroe County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2018 through December 31, 2019. 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 Beallsville is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

September 2, 2020

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**VILLAGE OF BEALLSVILLE
MONROE COUNTY
JANUARY 1, 2018 - DECEMBER 31, 2019**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Village of Beallsville
Monroe County
P.O. Box E
Beallsville, Ohio 43716

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 Beallsville, Monroe County, as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility For the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial provisions of 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 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.

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, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory basis of accounting and GAAP are not reasonably determinable, are presumed to be 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 of Beallsville as of December 31, 2019 and 2018, or changes in financial position 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 the related notes of Village of Beallsville, Monroe County as of December 31, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note 11 to the 2019 financial statements, during 2020, the impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 17, 2020, on our consideration of the Village of Beallsville'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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
June 17, 2020

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Taxes	\$ 28,983	\$ -	\$ 28,983
Intergovernmental	15,198	23,048	38,246
Earnings on Investments	179	32	211
Miscellaneous	2,228	-	2,228
Total Cash Receipts	<u>46,588</u>	<u>23,080</u>	<u>69,668</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	4,650	-	4,650
Public Health Services	9,820	-	9,820
Transportation	1,311	16,392	17,703
General Government	32,705	-	32,705
Debt Service:			
Principal Retirement	-	3,036	3,036
Interest and Fiscal Charges	-	126	126
Total Cash Disbursements	<u>48,486</u>	<u>19,554</u>	<u>68,040</u>
Excess of Receipts Over (Under) Disbursements	(1,898)	3,526	1,628
Fund Cash Balances, January 1,	<u>46,110</u>	<u>15,517</u>	<u>61,627</u>
Fund Cash Balances, December 31			
Restricted	-	19,043	19,043
Assigned	3,860	-	3,860
Unassigned (Deficit)	40,352	-	40,352
Fund Cash Balances, December 31	<u>\$ 44,212</u>	<u>\$ 19,043</u>	<u>\$ 63,255</u>

See notes to financial statements.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 85,233
Total Operating Cash Receipts:	85,233
Operating Cash Disbursements:	
Personal Services	3,253
Fringe Benefits	1,935
Contractual Services	95,835
Total Operating Cash Disbursements	101,023
Operating Income	(15,790)
Non-Operating Receipts/(Disbursements)	
Special Assessments	8,863
Total Non-Operating Receipts/(Disbursements)	8,863
Net Change in Cash Fund Balance	(6,927)
Fund Cash Balances, January 1	178,844
Fund Cash Balances, December 31	\$ 171,917

See notes to financial statements.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Beallsville, Monroe County, (the Village) as a body corporate and politic. A publicly-elected six-member council directs the Village. The Village provides general governmental services and sewer utilities services. The Village has contracted with Monroe County Sheriff's department to provide security of persons and property. The Village contracts with the Beallsville Volunteer Fire Department to provide fire protection.

The Village participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

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 balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary 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:

Governmental Funds

General Fund

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds

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

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

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 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 117-2-03(D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain Agency Funds) be budgeted annually.

Appropriations

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

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 in the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments

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

Property, Plant, and Equipment

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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* via formal action (resolution). The Village must adhere to these commitments unless 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 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 ordinance, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2019 is as follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 46,588	\$ (46,588)
Special Revenue	-	23,080	(23,080)
Enterprise	-	94,096	(94,096)
Total	\$ -	\$ 163,764	\$ (163,764)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,669	\$ 52,346	\$ (49,677)
Special Revenue	1,361	21,396	(20,035)
Enterprise	1,792	103,202	(101,410)
Total	\$ 5,822	\$ 176,944	\$ (171,122)

Contrary to ORC 5705.36, the Village, did not, on or about the first day of each year certify to the county auditor the total amount from all sources available for expenditure from each fund along with any unencumbered balance that existed at the end of the preceding year.

Contrary to ORC 5705.38 (A), the Village did not pass permanent appropriations.

Contrary to ORC 5705.41(B), the Village had funds where expenditures exceed appropriation authority due to not passing permanent appropriations.

Contrary to ORC 5705.41(D), the Village made expenditures without prior certification.

4. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2019
Demand Deposits	\$ 235,172
Total Deposits	\$ 235,172

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institutions public entity deposit pool.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by December 31. The second half payment is due the following June 20.

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

6. RISK MANAGEMENT

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2019
Cash and investments	<u>\$38,432,610</u>
Actuarial liabilities	\$14,705,917

7. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.0% of participant's gross salaries. The Village has paid all contributions required through December 31, 2019.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

7. DEFINED BENEFIT PENSION PLAN (Continued)

Social Security

Some Village employees 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, 2019.

8. 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 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

9. DEBT

Debt outstanding at December 31, 2019 was as follows:

	2019 Principal	%
Commercial Promissory Note - Tractor	\$ 1,442	3.75
Total	\$ 1,442	

The Promissory Note relates to the financing of a tractor for use by the Village. The notes are payable in monthly installments at annual percentage rates of 3.75%, with final payment due June 2020. The notes are collateralized by the tractor and paid from the Street Construction Fund.

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

Year Ending December 31	Promissory Note Tractor
2020	\$ 1,459
	\$ 1,459

10. PUBLIC ENTITY RISK POOL

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

11. SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Property and Other Taxes	\$ 28,359	\$ -	\$ 28,359
Intergovernmental	14,488	19,042	33,530
Earnings on Investments	192	34	226
Miscellaneous	121,432	-	121,432
Total Cash Receipts	164,471	19,076	183,547
Cash Disbursements:			
Current:			
Security of Persons and Property	5,911	-	5,911
Public Health Services	233	-	233
Transportation	1,223	17,298	18,521
General Government	34,168	-	34,168
Capital Outlay	101,469	-	101,469
Debt Service:			
Principal Retirement	-	2,254	2,254
Interest and Fiscal Charges	-	179	179
Total Cash Disbursements	143,004	19,731	162,735
Excess of Receipts Over (Under) Disbursements	21,467	(655)	20,812
Fund Cash Balances, January 1,	24,643	16,172	40,815
Fund Cash Balances, December 31			
Restricted	-	15,517	15,517
Assigned	2,669	-	2,669
Unassigned (Deficit)	43,441	-	43,441
Fund Cash Balances, December 31	\$ 46,110	\$ 15,517	\$ 61,627

See notes to financial statements.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

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

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 92,158
Total Operating Cash Receipts:	92,158
 Operating Cash Disbursements:	
Personal Services	3,502
Fringe Benefits	88
Contractual Services	78,853
Total Operating Cash Disbursements	82,443
 Operating Income	 9,715
 Non-Operating Receipts/(Disbursements)	
Special Assessments	10,135
Total Non-Operating Receipts/(Disbursements)	10,135
 Net Change in Cash Fund Balance	 19,850
 Fund Cash Balances, January 1	 158,994
 Fund Cash Balances, December 31	 \$ 178,844

See notes to financial statements.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. REPORTING ENTITY

Description of the Entity

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The Village participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

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 balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary 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:

Governmental Funds

General Fund

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds

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

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

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 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 117-2-03(D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain Agency Funds) be budgeted annually.

Appropriations

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

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments

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

Property, Plant, and Equipment

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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* via formal action (resolution). The Village must adhere to these commitments unless 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 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 ordinance, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (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 classification could be used.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2018 is as follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 156,903	\$ 164,471	\$ 7,568
Special Revenue	19,500	19,076	(424)
Enterprise	122,000	102,293	(19,707)
Total	\$ 298,403	\$ 285,840	\$ (12,563)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,537	\$ 145,673	\$ (143,136)
Special Revenue	994	21,091	(20,097)
Enterprise	1,653	84,235	(82,582)
Total	\$ 5,184	\$ 250,999	\$ (245,815)

Contrary to ORC 5705.38 (A), the Village did not pass permanent appropriations.

Contrary to ORC 5705.41(B), the Village had funds where expenditures exceed appropriation authority due to not passing permanent appropriations.

Contrary to ORC 5705.41(D), the Village made expenditures without prior certification.

4. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2018
Demand Deposits	\$ 240,471
Total Deposits	\$ 240,471

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institutions public entity deposit pool.

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by December 31. The second half payment is due the following June 20.

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

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

6. RISK MANAGEMENT

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$35,381,789
Actuarial liabilities	\$12,965,015

7. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.0% of participant's gross salaries. The Village has paid all contributions required through December 31, 2018.

Social Security

Some Village employees 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, 2018.

8. 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. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

9. DEBT

Debt outstanding at December 31, 2018 was as follows:

	2018 Principal	%
Commercial Promissory Note - Tractor	\$ 4,478	3.75
Total	\$ 4,478	

The Promissory Note relates to the financing of a tractor for use by the Village. The notes are payable in monthly installments at annual percentage rates of 3.75%, with final payment due June 2020. The notes are collateralized by the tractor and paid from the Street Construction Fund.

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

Year Ending December 31	Promissory Note Tractor
2019	\$ 2,918
2020	1,703
	\$ 4,621

10. PUBLIC ENTITY RISK POOL

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS.**

Village of Beallsville
Monroe County
P.O. Box E
Beallsville, Ohio 43716

To the Village Council:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Village of Beallsville, Monroe County as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated June 17, 2020, 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 Village of Beallsville'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 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 findings that we consider material weaknesses. We consider findings 2019-004, 2019-005 and 2019-006 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Beallsville'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 was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed seven instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as items 2019-001, 2019-002, 2019-003, 2019-004, 2019-005, 2019-007, and 2019-008.

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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
June 17, 2020

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001

Noncompliance – Certification of Funds

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet 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.

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.

- 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 Village can authorize the drawing of a warrant for the payment of the amount due. The Village has 30 days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution. Amounts 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 the expenditures by the Village.
- Blanket Certificates. Fiscal officers may prepare “blanket” certificates if the Village has approved their use and established maximum amounts.
- Super Blanket Certificates. The Village 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 reasonable predictable operation expense. This certification is not to extend beyond the current year. More than one so-called “super blanket” certificate may be outstanding at a particular time for any line item appropriation.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001 (Continued)

The Village did not certify the availability of funds prior to the purchase commitment for 48% of expenditures tested. For these items the Village also did not prepare blanket certificates, super blanket certificates or then and now certificates in accordance with the Ohio Revised Code. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

We recommend the Village certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper code, to reduce available appropriations.

Officials Response: We did not receive a response from Officials to this finding.

FINDING NUMBER 2019-002

Noncompliance

Ohio Revised Code Section 5705.41(B) prohibits a subdivision or taxing unit from making any expenditures of money unless it has been appropriated.

The Village did not pass permanent appropriations for 2019 or 2018. Expenditures for the General Fund, Street Construction Fund, State Highway Fund and the Sewer fund exceeded appropriations by \$49,676, \$14,075, \$5,961, and \$101,410 in 2019. Expenditures for the General Fund, Street Construction Fund, and the Sewer fund exceeded appropriations by \$143,135, \$20,096, and \$82,581 in 2018.

We recommend Village Council and the Fiscal Officer not make any expenditures until appropriations are adopted. Once appropriations are adopted, Village Council and the Fiscal Officer should compare expenditures to appropriations on a monthly basis. If appropriations in addition to those already adopted will be needed, Village Council should take the necessary steps to adopt additional appropriations, if possible, to prevent expenditures from exceeding appropriations or reduce spending. The Fiscal Officer should deny requests for payment when appropriations are not available.

Officials Response: We did not receive a response from Officials to this finding.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-003

Noncompliance

Ohio Revised Code Section 5705.38(A) states on or about the first day of each fiscal year, the taxing authority of each subdivision or other taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measure as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate.

If it desires to postpone the passage of the annual appropriation measure until an amended certificate is received based on the actual balances, it may pass a temporary appropriation measure for meeting the ordinary expenses of the taxing unit until no later than the first day of April of the current year, and the appropriations made in the temporary measure shall be chargeable to the appropriations in the annual appropriation measure for that fiscal year when passed.

Ohio Revised Code Section 5705.38 (C) states, in part, appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and within each, the amount appropriated for personal services.

The Village Council failed to pass an annual appropriation measure for 2019 and 2018.

We recommend the Village Council pass the appropriation resolutions on or about the first day of each year and document such approval in the minutes. The Fiscal Officer should then file the approved appropriation resolutions with the Monroe County Auditor. Otherwise, the Village should not expend any money until appropriations are passed. We also recommend the Village Council pass the appropriation Resolution at the legal level of control as required by law and that any supplemental appropriations be approved by Village Council and follow all provisions of law governing the Village in making its original appropriations.

Officials Response: We did not receive a response from Officials to this finding.

FINDING NUMBER 2019-004

Noncompliance/Material Weakness

Ohio Revised Code Section 9.38 states public money must be deposited by a public official other than a state officer, employee, or agent with the treasurer of the public office or to a designated depository on the business day following the day of receipt if the total amount exceeds \$1,000. Public money collected for other public offices must be deposited by the first business day following the date of receipt.

If the amount of the daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who received money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public office is governed by a legislative authority, only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-004 (Continued)

18% of receipts tested were not deposited timely and most were less than \$1,000 so they would have qualified if the Village had adopted a policy stating that amounts less than \$1,000 and could be safeguarded, could be held for 3 business days after receipt.

To help prevent cash flow problems and the risk of receipts becoming lost, we recommend that all receipts be deposited to the bank within 24 hours and the Village should pass a policy stating that receipts/deposits under \$1,000 could be deposited within 3 business days after receipt.

Officials Response: We did not receive a response from Officials to this finding.

FINDING NUMBER 2019-005

Noncompliance/Material Weakness

Ohio Admin. Code Section 117-2-02 (A) states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transaction, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by Ohio Admin. Code Section 117-2-03.

As a result of audit procedures, errors were noted that required reclassification and adjustment to the financial statement as follows which were agreed to by the Village:

The following is related to 2018:

- Adjustment of \$2,500 to Street Intergovernmental Receipts from State Highway Intergovernmental Receipts for gasoline tax monies received from the Auditor of State.
- Reclassification of \$2,254 to Principal Retirement from Interest and Fiscal Charges in the Street Fund for the tractor promissory note.
- Reclassification of \$2,669 from Unassigned Fund Balance in the General Fund to Assigned Fund Balance.

The following is related to 2019

- Adjustment of \$2,052 to Street Intergovernmental Receipts from State Highway Intergovernmental Receipts for gasoline tax monies received from the Auditor of State.
- Reclassification of \$3,036 to Principal Retirement from Interest and Fiscal Charges in the Street Fund for the tractor promissory note.
- Reclassification of \$3,860 from Unassigned Fund Balance in the General Fund to Assigned Fund Balance.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-005 (Continued)

Sound financial reporting is the responsibility of the Village and is essential to help ensure the information provided to the readers of financial statements is complete and accurate. To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures to identify and correct errors and omissions.

Officials Response: We did not receive a response from Officials to this finding.

FINDING NUMBER 2019-006

Material Weakness

The Village should have internal controls in place to reasonably assure that budgetary accounts are integrated into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and appropriations.

In 2019 and 2018, the Fiscal Officer did not accurately post budgeted receipts and appropriations and any amendments made to them. Variances existed between the certificate of estimated resources and the amount posted to the accounting system and variances existed between the appropriations passed by Council and amounts posted to the accounting system.

Fund	Amount Per Last Amended Certificate	Amount Posted To Accounting System	Variance
General Fund (2019)	\$ -	\$ 38,106	\$ (38,106)
Street Construction (2019)	-	17,000	(17,000)
State Highway (2019)	-	2,000	(2,000)
Sewer (2019)	-	122,000	(122,000)

Fund	Amount Per Permanent Appropriations	Amount Posted To Accounting System	Variance
General Fund (2018)	\$ -	\$ 176,549	\$ (176,549)
Street Construction (2018)	-	23,940	(23,940)
State Highway (2018)	-	4,500	(4,500)
Sewer (2018)	-	182,100	(182,100)
General Fund (2019)	-	65,345	(65,345)
Street Construction (2019)	-	20,840	(20,840)
State Highway (2019)	-	7,000	(7,000)
Sewer (2019)	-	232,100	(232,100)

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-006 (Continued)

Because the information entered into the accounting system was inaccurate, Village management was unable to effectively monitor budgetary activity throughout the year. Adjustments were made to the budgetary activity reported in Note 3 to the financial statements in order to accurately present budgeted receipts and appropriations as certified by the County Budget Commission and permanent appropriations passed by Village Council.

We recommend the Fiscal Officer record only estimated receipts from the Certificate of Estimated Resources and any amendments plus appropriations approved, plus any amendments, by the Village Council to the accounting system.

Officials Response: We did not receive a response from Officials to this finding.

FINDING NUMBER 2019-007

Noncompliance

Ohio Revised Code 5705.36 states that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amount from all sources available for expenditures from each fund in the tax budget along with any encumbered balances existing at the end of the receding year.

Except, a taxing authority shall exclude the following from unencumbered fund balances:

- Budget stabilization reserves (ORC 5705.13, 5705.29(G))
- Nonexpendable trust principal balances and any additions to principal not from the fund's reinvested earnings (ORC 5705.131)
- The balance in a Village reserve balance account established under ORC 5705.132

The Fiscal Officer did not file the certificate with the County Auditor for 2019.

We recommend the Fiscal Officer of the Village file this required information with the County Auditor at the beginning of each fiscal year.

Officials Response: We did not receive a response from Officials to this finding.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-008

26 USC Section 3402 – Noncompliance

26 USC Section 3402 states that except as otherwise provide in this section, every employer making payment of wages shall deduct and withhold such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary. 26 USC Section 3102 (a) requires Medicare Tax to be collected by the employer of the taxpayer, by deducting the amount of the tax from the wages as and when paid. 26 USC Section 3101 (b) established the contribution rate at 1.45% of wages. Furthermore, 26 USC Section 3403 states the employer shall be liable for the payment of the tax required to be deducted and withheld.

Federal tax required to be withheld were withheld but the filing of the returns and payment of the taxes were not always done prior to or on the due date. By not filing as required, the Village may be charged penalties and interest which could be significant liabilities to the Village.

The Village should review all applicable guidance for preparing, filing and payment of these taxes so that the Village meets all requirements and avoids potential significant liabilities.

Client Response: We did not receive a response from Officials to this finding.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2017-001	Noncompliance ORC 5705.41(D) expenditures without prior certification	No	Not Corrected Repeated as Finding 2019-001
2017-002	Noncompliance ORC 5705.41(B) expenditures exceed appropriations	No	Not Corrected Repeated as Finding 2019-002
2017-003	Noncompliance ORC 5705.38(A) Permanent Appropriations not passed by Council	No	Not Corrected Repeated as Finding 2019-003
2017-004	Material Weakness/ Noncompliance deposits not made timely	No	Not Corrected Repeated as Finding 2019-004
2017-005	Material Weakness/ Noncompliance Reclassifications	No	Not Corrected Repeated as Finding 2019-005
2017-006	Material Weakness Budgetary postings	No	Not Corrected Repeated as Finding 2019-006
2017-007	Noncompliance ORC 5705.36 certificate not filed with county auditor	No	Not Corrected Repeated as Finding 2019-007

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BEALLSVILLE

MONROE 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 9/15/2020

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