



OHIO AUDITOR OF STATE  
**KEITH FABER**







### BASIC AUDIT REPORT

Village of Bergholz  
Jefferson County  
PO Box 242  
Bergholz, Ohio 43908-0242

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Village of Bergholz, Jefferson County, (the Village) for the years ended December 31, 2020 and 2019.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2020 and 2019.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

#### Current Year Observations

1. **Ohio Rev. Code § 5705.39** requires that total appropriations from each fund not exceed total estimated fund resources from each fund. At December 31, 2020 General Fund appropriations exceeded Estimated Resources by \$4,122. Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances. The Council should monitor appropriations versus estimated resources to ensure appropriations do not exceed estimated resources and approve budgetary amendments as necessary.
2. House Bill 312 requires municipalities to establish a credit card policy should one be used and establishes guidelines for the credit cards use. The Village has a credit card, however, have not established a credit card policy. Failure to establish a credit card policy could result in unallowable disbursements and possible findings for recovery. The Council should adopt a credit card policy as required by HB 312.

3. During 2020, the Village entered into a lease-purchase agreement for the purchase of a backhoe of which \$50,500 was financed. The Village did not post the proceeds of debt or the capital outlay expenditure in the Street Construction Maintenance and Repair Fund or include the transaction in the filed financial statements. In addition, the Village made one lease payment in the amount of \$926 in December 2020 and posted it as other financing uses rather than principal and interest and fiscal charges. The Village should properly post all debt activity.
4. **Ohio Rev. Code § 149.43(B)(7)(c) and 149.43(E)(2)** requires the adoption of a public records policy. In addition, **Ohio Rev. Code § 149.43(B)(2)** sets forth requirements regarding the establishment of a records retention schedule. Finally, **Ohio Rev. Code § 149.43(E)(2)** requires the records custodian/manager to acknowledge receipt of the public records policy and the public records policy to be displayed in all branches of the Village. The Village has not adopted a public records policy or a records retention schedule, and a records custodian/manager has not been designated and has not acknowledged receipt of the public records policy. The Village should review the above Ohio Revised Code Sections and implement procedures to help ensure compliance.
5. **26 U.S.C. § 3403, and Ohio Rev. Code § § 5747.07 and 145.47** state, in part, that withholdings are to be paid in a timely manner. At December 31, 2019, Federal, State, and Ohio Public Employees Retirement System withholdings were not remitted timely. Due to a lack of supporting documentation, we were not able to determine if subsequent amounts paid included any late fees and penalties. This matter will be referred to the Internal Revenue Service, Ohio Department of Taxation, and Ohio Public Employees Retirement System. The Village elected a new Fiscal Officer as of April 1, 2020 and remittances appear to be paid timely. The Fiscal Officer should remit all withholdings by the required due dates.
6. **Ohio Rev. Code § 145.01** requires governments to enroll most of their employees in the appropriate retirement system and to withhold from the employees' wages, or pay on behalf of the employees, a certain percentage of earned wages as defined. The Village had three employees paying into Social Security rather than the Ohio Public Employees Retirement System (OPERS) as required. The new Fiscal Officer brought this to the attention of OPERS, and OPERS calculated the amount that should have remitted for these employees in the amount of \$10,294. The Village remitted the amount to OPERS and is now current on its OPERS contributions. The Village should ensure employees are members of and contributing to the proper retirement system.
7. Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters. The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by the Council were properly posted to the accounting system in 2020, however, the Village was not able to locate the 2019 appropriations resolution approved by the Council, therefore, we could not determine if the Village properly posted the amount to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not posted to the accounting system properly for the General Fund in 2020 as the Certificate of Estimated Resources listed Estimated Receipts of \$71,710 and the accounting system listed \$90,210, for a variance of \$18,500.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

**Current Status of Matters Reported in our Prior Engagement**

1. In addition to the budgetary matter reported in item 1 above and financial reporting matter reported in item 3 above, our prior audit for the years ended December 31, 2018 and 2017 included a finding for recovery of \$218 against the fiscal officer for taking paid leave from her full-time employer and being reimbursed at her per diem rate to attend matters on behalf of her employer. The receipts journal recorded the fiscal officer's repayment of this amount on November 6, 2019. In addition, the prior audit for the years ended included a material weakness for adopted budgetary measures noting agreeing to the amounts posted in the accounting system, which was repeated as item #7 above.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 15, 2021

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# OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BERGHOLZ

JEFFERSON COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/30/2021

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