



**VILLAGE OF BEALLSVILLE
MONROE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF BEALLSVILLE
MONROE COUNTY
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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Beallsville, Monroe County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Beallsville, Monroe County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2000, 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 grants.

This report is intended solely for the information and use of the management, the Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

October 6, 2000

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**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, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$14,355	\$	\$14,355
Intergovernmental Receipts	31,376	14,771	46,147
Miscellaneous	1,816		1,816
	<u>47,547</u>	<u>14,771</u>	<u>62,318</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Transportation		11,060	11,060
General Government	39,622		39,622
Debt Service:			
Principal Payments	2,996	266	3,262
	<u>42,618</u>	<u>11,326</u>	<u>53,944</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>4,929</u>	<u>3,445</u>	<u>8,374</u>
Other Financing Receipts:			
Sale of Fixed Assets	650		650
	<u>650</u>	<u>0</u>	<u>650</u>
Total Other Financing Receipts			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	5,579	3,445	9,024
Fund Cash Balances, January 1	<u>10,996</u>	<u>10,710</u>	<u>21,706</u>
Fund Cash Balances, December 31	<u><u>\$16,575</u></u>	<u><u>\$14,155</u></u>	<u><u>\$30,730</u></u>

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

**VILLAGE OF BEALLSVILLE
MONROE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$73,490
Miscellaneous	738
	74,228
Total Operating Cash Receipts	74,228
Operating Cash Disbursements:	
Personal Services	9,674
Fringe Benefits	3,338
Contractual Services	23,277
Supplies and Materials	246
	36,535
Total Operating Cash Disbursements	36,535
Operating Income/(Loss)	37,693
Non-Operating Cash Disbursements:	
Debt Service	28,772
	28,772
Total Non-Operating Cash Disbursements	28,772
Net Receipts Over/(Under) Disbursements	8,921
Fund Cash Balances, January 1	24,595
Fund Cash Balances, December 31	\$33,516

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

**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, 1998**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$14,622	\$	\$14,622
Intergovernmental Receipts	10,452	14,657	25,109
Miscellaneous	2,976		2,976
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	28,050	14,657	42,707
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Transportation		11,650	11,650
General Government	38,441		38,441
Debt Service:			
Principal Payments	4,278	408	4,686
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	42,719	12,058	54,777
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(14,669)	2,599	(12,070)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	25,665	8,111	33,776
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$10,996</u>	<u>\$10,710</u>	<u>\$21,706</u>

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

**VILLAGE OF BEALLSVILLE
MONROE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$65,963
Miscellaneous	584
	66,547
Total Operating Cash Receipts	66,547
Operating Cash Disbursements:	
Personal Services	10,074
Fringe Benefits	3,693
Contractual Services	34,500
Supplies and Materials	549
	48,816
Total Operating Cash Disbursements	48,816
Operating Income/(Loss)	17,731
Non-Operating Cash Disbursements:	
Debt Service	28,224
	28,224
Total Non-Operating Cash Disbursements	28,224
Net Receipts Over/(Under) Disbursements	(10,493)
Fund Cash Balances, January 1	35,088
Fund Cash Balances, December 31	\$24,595

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

**VILLAGE OF BEALLSVILLE
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Beallsville, Monroe County (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including a sewer utility, and maintenance of Village roads and bridges. The Village provides for the maintenance of the cemetery by contracting with an individual. The Village contracts with the Beallsville Volunteer Fire Department to provide fire protection.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

1. General Fund

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

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

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

State Highway Improvement Fund -This fund receives gasoline tax and motor vehicle license tax money for improving state highways.

3. 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:

**VILLAGE OF BEALLSVILLE
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Enterprise Funds (Continued)

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

D. Budgetary Process

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

1. 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 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.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. The Village did not use the encumbrance method of accounting.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 64,246	\$ 46,301
	\$ 64,246	\$ 46,301

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998, follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 35,206	\$ 48,197	\$ 12,991
Special Revenue	28,300	14,771	(13,529)
Enterprise	98,182	74,228	(23,954)
Total	\$ 161,688	\$ 137,196	\$ (24,492)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 54,290	\$ 42,618	\$ 11,672
Special Revenue	38,021	11,326	26,695
Enterprise	125,748	65,307	60,441
Total	\$ 218,059	\$ 119,251	\$ 98,808

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 22,986	\$ 28,050	\$ 5,064
Special Revenue	28,300	14,657	(13,643)
Enterprise	82,000	66,547	(15,453)
Total	\$ 133,286	\$ 109,254	\$ (24,032)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 49,197	\$ 42,719	\$ 6,478
Special Revenue	35,861	12,058	23,803
Enterprise	121,019	77,040	43,979
Total	\$ 206,077	\$ 131,817	\$ 74,260

All expenditures made during 1999 and 1998 were executed without properly obtaining the Clerk/Treasurer's certification that funds were available.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements 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 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 1999, was as follows:

	Principal	Interest Rate
Municipal Building Commercial Loan	\$ 18,554	5.25%
Equipment Commercial Loan	2,763	6.18%
Ohio Public Works Commission Loan	59,710	0.00%
Ohio Water Development Authority Loan	254,889	2.20%
Total	\$ 335,916	

The Municipal Building Commercial Loan relates to the purchase of a home used as the Village Hall. The loan will be repaid in monthly installments of \$408, including interest, over ten years. The loan is collateralized solely by the Village's taxing authority.

The Equipment Commercial Loan relates to the purchase of a dump truck bed. The loan will be repaid in monthly installments of \$133, including interest, over two years. The loan is collateralized solely by the Village's taxing authority.

The Ohio Public Works Commission Loan relates to upgrades necessary to comply with Environmental Protection Agency regulations. The loan will be repaid in semiannual installments of \$2,596, with no interest charges, over 20 years. The loan is collateralized by sewer receipts.

The Ohio Water Development Authority Loan relates to upgrades necessary to comply with Environment Protection Agency regulations. The loan will be repaid in semiannual installments of \$10,313, including interest, over 20 years. The loan is collateralized by sewer receipts.

**VILLAGE OF BEALLSVILLE
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT (Continued)

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

Year ending December 31:	Municipal Building Commercial Loan	Ohio Public Works Commission Loan	Ohio Water Development Authority Loan	Equipment Commercial Loan
2000	\$ 4,892	\$ 5,192	\$ 20,627	\$ 1,598
2001	4,892	5,192	20,627	1,332
2002	4,892	5,192	20,627	0
2003-2007	6,117	25,962	103,134	0
2008-2012	0	18,172	103,134	0
2013-2014	0	0	30,940	0
Totals	<u>\$ 20,793</u>	<u>\$ 59,710</u>	<u>\$ 299,089</u>	<u>\$ 2,930</u>

6. RETIREMENT SYSTEMS

The Village's employees and elected officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive Property and General Liability
- Commercial Auto
- Public Officials Errors and Omissions Liability

8. CONTINGENT LIABILITIES

The Village is a defendant in a lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

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STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Beallsville, Monroe County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated October 6, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 1999-31056-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated October 6, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated October 6, 2000.

This report is intended for the information and use of the management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

October 6, 2000

**VILLAGE OF BEALLSVILLE
MONROE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

FINDING NUMBER 1999-31056-001

Noncompliance Citation

Ohio Rev. Code § 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two “exceptions” to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer’s certificate that a sufficient sum was appropriated and free of any previous encumbrances, Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.

- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of Village Council.

In 1999 and 1998, we noted that all expenditures tested were not certified as to their availability of funds prior to their occurrence.

We recommend that the Clerk/Treasurer certify the availability of funds prior to incurring expenditures.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF BEALLSVILLE

MONROE 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
NOVEMBER 16, 2000**