



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Beverly  
Washington County  
919 Mitchell Avenue  
Beverly, Ohio 45715

We have performed the procedures enumerated below on the Village of Beverly, Washington County, Ohio (the Village), receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Village. The Village is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village.

The Village Council, Mayor and the management of the Village have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Village's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2021 and 2020, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

### Cash and Investments

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2019 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2020 balances in the Fund Ledger Report. We found the January 1, 2021 beginning fund balance in the Beverly Fire Department Fund increased \$120 from the December 31, 2020 fund balance due to a voided check. We agreed the January 1, 2020 beginning fund balances for the Mayor's Court Fund in the Mayor's Court Cashbook to the December 31, 2019 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for the Mayor's Court Fund recorded in the Mayor's Court Cashbook to the December 31, 2020 balances in the Mayor's Court Cashbook. We found no exceptions.

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### **Cash and Investments (Continued)**

3. We agreed the 2021 and 2020 bank reconciliation adjusted Uniform Accounting Network (UAN) Balances and Adjusted Bank Balances as of December 31, 2021 and 2020 to the total fund cash balances reported in the Fund Status Report and the financial statements filed by the Village in the Hinkle System. The amounts agreed. However, the Village also maintains an outside payroll account which was not included in UAN nor the Hinkle System. This account held a register balance of \$9,743 and \$9,491 at December 31, 2021 and 2020, respectively. In addition, the Village maintains an outside Mayor's Court account which was not included in UAN nor the Hinkle System. This account held a register balance of \$670 and \$320 at December 31, 2021 and 2020, respectively.
4. We confirmed the December 31, 2021 bank account balances with the Village's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2021 bank reconciliation:
  - a. We found that all five of the outstanding debits were still outstanding as of February 28, 2022 per review of the subsequent January and February bank statements.
  - b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. We found no exceptions.
6. We inspected investments held at December 31, 2021 and December 31, 2020 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We found no exceptions.

### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Listing (DTL), and the Washington County Expense Audit Trail for 2021 and a total of five from 2020:
  - a. We compared the amount from the above named reports to the amount recorded in the Receipt Detail Report. The amounts agreed.
  - b. We inspected the Receipt Detail Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Receipt Detail Report to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2021 and 2020. The Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the individual amounts paid from Waterford Township to the Village during 2021 and 2020 with the Township. We found no exceptions.
  - a. We inspected the Receipt Detail Report to determine whether these receipts were allocated to the proper funds. We found no exceptions.
  - b. We inspected the Receipt Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Income Tax Receipts**

1. The Village does not have an ordinance in place for allocating income tax receipts to funds other than the General Fund. However, the Village posted \$408,156 into the Income Tax Fund (2071) in 2021. The Fiscal Officer moved this balance to the General Fund on November 15, 2022.
2. We selected five income tax returns filed during 2021 and five from 2020.
  - a. We compared the payment amount recorded on the tax return to the amount recorded on the Deposit Listing Summary Report. The amounts agreed.
  - b. We compared the Deposit Listing Summary Report total from procedure to the amount recorded as income tax receipts in the Receipt Register Report for that date. The amounts agreed.
3. We compared the date of the receipts to the date the receipts was posted in the Receipt Register Report to determine whether the receipts were recorded in the year received. We found no exceptions.
4. We selected five income tax refunds from 2021 and five from 2020.
  - a. We compared the refund paid from Payment Register Detail Report to the refund amount requested in the tax return. The amounts agreed.
  - b. We observed the approval by Fiscal Officer and Mayor on each of the refunds. We found no exceptions.
  - c. We observed the refunds were paid from the General Fund as is required.

### **Other Receipts**

We selected 10 other receipts from the year ended December 31, 2021 and 10 other receipts from the year ended 2020 and:

- a. Agreed the receipt amount recorded in the Receipt Register Report to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Receipt Register Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

### **Water Operating, Sewer Operating, and Guaranty Deposit Funds**

1. We selected 10 Water Operating, Sewer Operating, and Guaranty Deposit Funds collection cash receipts from the year ended December 31, 2021 and 10 Water Operating, Sewer Operating, and Guaranty Deposit Funds collection cash receipts from the year ended 2020 recorded in the Receipt Register Report and determined whether the:
  - a. Receipt amount per the Customer History Report agreed to the amount recorded to the credit of the customer's account in the Customer Billing Register. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Customer Billing Register for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the engagement period multiplied by the consumption amount recorded for the billing period, plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.
  - c. Receipt was posted to the proper funds, and was recorded in the year received. We found no exceptions.

**Water Operating, Sewer Operating, and Guaranty Deposit Funds (Continued)**

2. We observed the Accounts Receivable and Billing Summary Report.
  - a. This report listed \$60,807 and \$63,289 of accounts receivable as of December 31, 2021 and 2020, respectively.
  - b. Of the total receivables reported in the preceding procedure, \$11,198 and \$12,350 were recorded as more than 90 days delinquent.
3. We observed the Adjustment Report.
  - c. This report listed a total of \$25,865 and \$68,910 non-cash receipts adjustments for the years ended December 31, 2021 and 2020, respectively.
  - d. We selected five non-cash adjustments from 2021 and five non-cash adjustments from 2020, and observed that the Village Council approved each adjustment.

**Debt**

1. From the prior agreed-upon procedures documentation, we observed the following loans were outstanding as of December 31, 2019. These amounts agreed to the Village's January 1, 2020 balances on the summary we used in procedure 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2019:</b>
Ohio Public Works Commission - Wellfield	\$37,852
Ohio Public Works Commission - WWTP	301,267
Ohio Public Works Commission – Waterline	506,266
Ohio Water Development Authority – Waterline	517,906
Ohio Public Works Commission - Collection System Improvements	118,761

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedules to the Note Retirement (Wellfield Improvement) Fund, Note Retirement (WWTP Improvement) Fund, Note Retirement (Waterline Replacement) Fund, Note Retirement (Lift Stations) Fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found the Village paid \$24,037 more in principal than required by the amortization schedule on its Ohio Public Works loans.

**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Wage Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
    - i. We inspected the employees' personnel files and/or minute record for the Retirement system, Federal, State & Local income tax withholding authorization.
    - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found no exceptions.

**Payroll Cash Disbursements (Continued)**

- b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files and/or minute record. We found no exceptions.
  - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2021 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2021. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal Income Tax & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2022	January 10, 2022	\$4,852	\$4,852
State Income Tax	January 15, 2022	January 11, 2022	953	953
Village of Beverly Income Tax	January 15, 2022	January 9, 2022	1,017	1,017
Ohio Public Employee Retirement	January 30, 2022	January 10, 2022	4,652	4,652
Ohio Police and Fire Pension	January 31, 2022	January 26, 2022	3,022	3,072

We found the payment for the Ohio Police and Fire Pension Fund did include a late payment of \$50 relating to November 2021 amounts due.

**Non-Payroll Cash Disbursements**

We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2021 and 10 from the year ended 2020 and determined whether:

- a. The disbursements were for a proper public purpose. We found check 14538 dated October 27, 2021 included \$20 in late fees.
- b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.
- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
- d. The Fiscal Officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found no exceptions.

**Mayor's Court Transactions and Cash Balances**

- 1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
- 2. We compared the reconciled cash totals as of December 31, 2021 and December 31, 2020 to the Mayor's Court Fund balance reported in the Mayor's Court Cashbook. The balances agreed.

### **Mayor's Court Transactions and Cash Balances (Continued)**

3. We agreed the totals per the bank reconciliations to the total of December 31, 2021 and 2020 listing of unpaid distributions as of each December 31. The amounts agreed.
4. We confirmed the December 31, 2021 bank account balance with the Mayor's Court financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation without exception.
5. We selected five cases from the court cash book and agreed the payee and amount posted to the:
  - a. Duplicate receipt book.
  - b. Docket, including comparing the total fine paid to the judgment issued by the judge (i.e. mayor)
  - c. Case file.

The amounts recorded in the cash book, receipts book, docket and case file agreed.

6. From the cash book, we selected one month from the year ended December 31, 2021 and one month from the year ended 2020 and determined whether:
  - a. The monthly sum of fines and costs collected for those months agreed to the amounts reported as remitted to the Village, State or other applicable government in the following month. We found no exceptions.
  - b. The totals remitted for these two months per the cash book agreed to the returned canceled checks. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the cash book.

### **Compliance – Budgetary**

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2021 and 2020 for the General Fund, Street Construction, Maintenance, and Repair Fund, and Sewer Operating Fund as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the 5 largest interfund transfers from 2021 and 2020 Revenue Status Reports and Appropriation Status Reports for compliance with Ohio Rev. Code §§ 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner.
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2021 and 2020 for negative cash fund balance. Ohio Rev. Code § 5705.10(l) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

### **Sunshine Law Compliance**

1. We obtained and inspected the Village's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.



### Sunshine Law Compliance (Continued)

2. We inquired with Village management and determined that the Village did not have any completed public records requests during the engagement period. The Village did not have any denied public records requests during the engagement period. The Village did not have any public records requests with redactions during the engagement period.
3. We inquired with Village management and determined that the Village did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inspected the Village's policy manual and determined the public records policy was not included as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with Village management and determined that the Village did not have a public records policy poster displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with Village management and determined that the Village did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inquired with Village management and inspected individual proof of attendance and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found four Council Members whose terms expired December 31, 2021 that did not attend the required training nor appoint a designee.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
  - a. Prepared – a file is created following the date of the meeting
  - b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
  - a. Executive sessions were only held at regular or special meetings.
  - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

### **HB 481 / HB 614 Coronavirus Relief Fund (CRF) Compliance**

1. We inquired of management and those charged with governance and documented how the Village decided to spend their CRF allocations and how the Village documented their compliance with the CARES Act three-prong test. We then selected five transactions including payroll, non-payroll, and subgrant/subloan transactions, and determined the Village:
  - a. Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
  - b. Maintained appropriate supporting documentation.We found no exceptions.
2. We inquired with management and inspected the Appropriation Ledgers Report to determine the local government did not have an unencumbered balance of money to pay back to the county treasurer. We found no exceptions.

### **Other Compliance**

1. Ohio Rev. Code § 117.38 requires villages to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Village filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2021 and 2020 in the Hinkle system. We found that the Mayor's Court Activity was not included in UAN and therefore was excluded from the HINKLE filing. For the year ended December 31, 2021, the Mayor's Court activity included receipts of \$10,770, disbursements of \$10,420, and an ending balance of \$670. For the year ended December 31, 2020, the Mayor's Court activity included receipts of \$6,995, disbursements of \$7,265, and an ending balance of \$320.
2. We inquired of the Fiscal Officer and inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the Fiscal Officer obtained the training required by Ohio Rev. Code § 733.81. The Fiscal Officer obtained the required training.

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

November 17, 2022

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF BEVERLY**

**WASHINGTON 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 12/8/2022**

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