



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF BEVERLY
WASHINGTON COUNTY
DECEMBER 31, 2019 AND 2018

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Village Council, Mayor and the management of the Village of Beverly, Washington County, Ohio (the Village), on the receipts, disbursements and balances recorded in the Village's cash basis accounting records for the years ended December 31, 2019 and 2018 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, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village. The sufficiency of the procedures is solely the responsibility of the parties specified in this 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.

This report only describes exceptions exceeding \$10.

Cash and Investments

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2017 balances from the prior year Agreed-Upon Procedures working papers. We found no exceptions. The Mayor's Court Fund is not maintained in the Uniform Accounting Network (UAN). We agreed the January 1, 2018 beginning fund balances recorded in the Mayor's Court Cashbook to the December 31, 2017 balances from the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2018 balances in the Fund Status Report. We found no exceptions. We agreed the January 1, 2019 beginning fund balances recorded in the Mayor's Court Cashbook to the December 31, 2018 balances in the Mayor's Court Cashbook. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 fund cash balances reported in the Fund Status Report and the financial statements filed by the Village in the Hinkle System. The amounts agreed with the following exceptions. The bank reconciliations for the payroll account reported ending register balances of \$8,406 and \$8,454 as of December 31, 2019 and 2018, respectively. These balances were not included in the Fund Status Report or Hinkle System reports. Additionally, the Mayor's Court account bank reconciliation reported an ending register balance of \$590 as of December 31, 2019. This was also omitted from the Fund Status Report or Hinkle System reports.

Cash and Investments (Continued)

4. We confirmed the December 31, 2019 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, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.
6. We traced interbank account transfers occurring in December of 2019 and 2018 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
7. We inspected investments held at December 31, 2019 and December 31, 2018 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 noted 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 Reports for 2019 and a total of five from 2018:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We inspected the Receipt Register 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 Register 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 Detail Report to determine whether it included two real estate tax receipts for 2019 and 2018. The Receipt Detail Report included the proper number of tax receipts for each year.
3. We confirmed the total amount paid from Waterford Township to the Village for fire protection services during 2019 and 2018 with the Township. We found no exceptions.
 - a. We inspected the Receipt Detail Report to determine whether these receipts were allocated to the proper fund. 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. We selected five income tax returns filed during 2019 and five from 2018.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the duplicate receipt and Governmental Accounting Solutions system report. The amounts agreed.
 - b. We compared the cash register tape total from procedure a. to the amount recorded as income tax receipts in the Receipt Register Report for that date. The amounts agreed.
2. 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.
3. We selected five income tax refunds from 2019 and five from 2018.
 - 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 Village Council on each of the refunds. No exceptions were found.
 - c. We observed the refunds were paid from the General Fund as is required.

Over-The-Counter Cash Receipts

We selected 10 over-the-counter cash receipts from the year ended December 31, 2019 and 10 over-the-counter cash receipts from the year ended 2018 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Receipt Register Report. 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 and Sewer Fund

1. We selected 10 Water and Sewer Fund collection cash receipts from the year ended December 31, 2019 and 10 Water and Sewer Fund collection cash receipts from the year ended 2018 recorded in the Receipt Register Report and determined whether the:
 - a. Receipt amount per the Receipt Register Report agreed to the amount recorded to the credit of the customer's account in the Customer History Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Customer History Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit 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.
2. We observed the Reporting for Account Balance Sorted by Customer Name Report.
 - a. This report listed \$10,247 and \$9,423 of accounts receivable as of December 31, 2019 and 2018, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$0 were recorded as more than 90 days delinquent.

Water and Sewer Fund (Continued)

3. We observed the Adjustment Report Sorted by Transaction Type.
 - a. This report listed a total of \$5,862 and \$5,686 non-cash receipts adjustments for the years ended December 31, 2019 and 2018, respectively.
 - b. We selected five non-cash adjustments from 2019 and five non-cash adjustments from 2018, and observed that the Board of Public Affairs approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loans were outstanding as of December 31, 2017. These amounts agreed to the Villages January 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2017:
Ohio Public Works Commission: Wellfield	\$ 47,027
Ohio Public Works Commission: WWTP	\$332,979
Ohio Public Works Commission: Waterline	\$548,455
Ohio Water Development Authority: Waterline	\$551,798

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3. However, we did identify one debt issuance related to Ohio Public Works Commission Collection System Improvements that was not recorded in the Village's accounting system.
3. We obtained a summary of loan debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedules to the Note Retirement WWTP Improvement Fund (3403), Note Retirement Wellfield Improvement Fund (3405), Note Retirement Waterline Replacement Fund (3406), and Note Retirement Lift Station Fund (3407) 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 no exceptions.
4. We identified one new debt, Ohio Public Works Commission Collection System Improvements totaling \$128,390. The amount of debt proceeds from the debt documents were not posted to the accounting system, nor were the related expenditures.
5. For new debt issued during 2019 and 2018, we inspected the debt legislation, which stated the Village must use the proceeds to obtain a list station. We reviewed documents provided by the Buckeye Hills Regional Council and observed the Village obtained the lift station in March 2018.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Payroll Summary Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Earnings Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files and/or minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 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 2019. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	01/31/2020	01/13/2020	\$2,603	\$2,603
State income taxes	01/15/2020	01/12/2020	\$543	\$543
Village of Beverly income tax	01/31/2020	01/12/2020	\$734	\$734
OPERS retirement	01/30/2020	01/29/2020	\$5,803	\$5,803
OP&F retirement	01/31/2020	01/29/2020	\$4,518	\$4,518

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2019 and 10 from the year ended 2018 and determined whether:

- a. The disbursements were for a proper public purpose. We found no exceptions.
- 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.

Mayors Court Transactions and Cash Balances

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2019 and December 31, 2018 to the Mayor's Court Fund balance reported in the Mayor's Court Cashbook. The balances agreed.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2019 and 2018 listing of unpaid distributions as of each December 31. The amounts agreed.
4. We confirmed the December 31, 2019 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, 2019 bank reconciliation without exception.
5. We selected five cases from the court cashbook 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 cashbook, receipts book, docket and case file agreed.

Mayors Court Transactions and Cash Balances (Continued)

6. From the cash book, we selected one month from the year ended December 31, 2019 and one month from the year ended 2018 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 cashbook 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 cashbook.

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, 2019 and 2018 for the General, Street Construction, Maintenance and Repair, and State Highway Funds, as recorded in the Appropriation Status Report. We observed no funds for which expenditures exceeded appropriations.
2. We inspected the 2019 and 2018 Interfund Transfer Listing for evidence of interfund transfers exceeding which Ohio Rev. Code §§ 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2019 and 2018 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 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.
2. We selected the only public records request from the engagement period and inspected the request to determine the Village was compliant and responded to the request in accordance with their adopted policy. We found no exceptions.
3. We inquired with Village management and determined that the Village did not have any denied public records requests during the engagement period.
4. We inquired with Village management and determined that the Village did not have any public records requests with redactions during the engagement period.

Sunshine Law Compliance (Continued)

5. 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).
6. 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.
7. 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).
8. We visited the Village Hall and inquired of the Fiscal Officer as to whether the Village's poster describing their Public Records Policy was displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2). We found the Village had no such poster.
9. 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.
10. We inspected public records training database, inquired of the Fiscal Officer 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. We found no exceptions.
11. 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 are to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
12. 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.
13. 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.

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, 2019 and 2018 in the Hinkle system with the following exceptions. Financial information was filed on May 6, 2020 for 2019, which was not within the allotted timeframe. Further, because the Village maintained its Mayor's Court Fund activity outside of UAN and submitted its annual financial report directly from UAN, the Mayor's Court activity was not recorded in the Agency Fund in the HINKLE system filing for 2019 or 2018. This understated receipts and disbursements in the Mayor's Court Fund by \$9,930 and \$9,340, respectively, in 2019 and \$5,215 and \$5,820, respectively, in 2018.
2. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list of authorized users, and
 - a list of all credit card account transactions.
 - a. We inspected the established policy obtained above and determined it is:
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. Implemented by the entity.We found no exceptions.
 - b. We selected one credit card transaction from each account for testing. For selected transactions we inspected documentation to determine that:
 - i. Use was by an authorized user within the guidelines established in the policy, and
 - ii. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
 - c. We selected three credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
 - i. No unpaid beginning balance was carried forward to the current billing cycle,
 - ii. Ending statement balance was paid in full, and
 - iii. Statement contained no interest or late fees.We found no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, 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.

This report is to provide 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, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

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

June 16, 2020

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OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF BEVERLY

WASHINGTON 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
JULY 2, 2020**