



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF BRICE
FRANKLIN COUNTY
DECEMBER 31, 2022 AND 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Village of Brice
Franklin County
5990 Columbus Street
Brice, Ohio 43109

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified, Adverse and Qualified Opinions

We have audited the financial statements of the Village of Brice, Franklin County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for Special Revenue funds combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section § 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Additional Opinion Qualification

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification on the General Fund* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes of the Village of Brice, Franklin County in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(C) permit, described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Basis for Additional Opinion Qualification on the General Fund

The Village contracted the processing, billing, and collection of civil violation receipts generated by the Village's photo speed enforcement program to a third-party administrator. The third-party administrator did not provide the Village with the information we requested regarding the design or proper operation of its internal controls. We were therefore unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as Fines, Licenses and Permits from camera speed enforcement fines. Fines, Licenses and Permits are reported at \$20,756 and \$293,876 for the years ended December 31, 2022 and 2021, respectively, which are 18 percent of General Fund receipts for the year ended December 31, 2022, and 75 percent of General Fund receipts for the year ended December 31, 2021. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Substantial Doubt about the Village's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Village will continue as a going concern. As discussed in Note 15 to the financial statements, the Village has suffered recurring losses from operations, and has stated that substantial doubt exists about the Village's ability to continue as a going concern. As of November 21, 2023, management is researching potential revenue streams and has yet to develop a specific plan to address these conditions. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is unmodified regarding this matter.

Emphasis of Matter regarding COVID-19

As discussed in Note 14 to the 2022 and 2021 financial statements, the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2023, 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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.



Keith Faber
Auditor of State
Columbus, Ohio

November 21, 2023

Village of Brice, Ohio*Franklin County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2022*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$4,466	\$0	\$4,466
Municipal Income Tax	72,943	0	72,943
Intergovernmental	6,777	5,023	11,800
Special Assessments	500	0	500
Charges for Services	0	3,887	3,887
Fines, Licenses and Permits	20,756	1,344	22,100
Earnings on Investments	5,223	0	5,223
Miscellaneous	3,865	0	3,865
<i>Total Cash Receipts</i>	<u>114,530</u>	<u>10,254</u>	<u>124,784</u>
Cash Disbursements			
Current:			
Security of Persons and Property	168,188	1,296	169,484
Transportation	14,260	0	14,260
General Government	119,792	0	119,792
<i>Total Cash Disbursements</i>	<u>302,240</u>	<u>1,296</u>	<u>303,536</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(187,710)</u>	<u>8,958</u>	<u>(178,752)</u>
Other Financing Receipts			
Sale of Capital Assets	1,905	0	1,905
<i>Total Other Financing Receipts</i>	<u>1,905</u>	<u>0</u>	<u>1,905</u>
<i>Net Change in Fund Cash Balances</i>	(185,805)	8,958	(176,847)
<i>Fund Cash Balances, January 1</i>	<u>442,177</u>	<u>27,930</u>	<u>470,107</u>
<i>Fund Cash Balances, December 31</i>	<u>\$256,372</u>	<u>\$36,888</u>	<u>\$293,260</u>

See accompanying notes to the basic financial statements

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Brice (the Village), Franklin County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A six-member Council directs the Village. The Village provides police services to provide security of persons and property, along with street lighting and street maintenance and repairs.

Jointly Governed Organizations and Public Entity Risk Pools

The Village participates in a jointly governed organization and a public entity risk pool. The Village management believes these financial statements present all activities for which the Village is financially accountable. Note 6 to the financial statements describes these assets of public entity risk pool and note 11 describes the jointly governed organizations.

Note 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 balances (regulatory cash basis) for all governmental fund types.

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:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Enforcement and Education The enforcement and education fund accounts for and reports resources restricted for the police department from fines collected by third parties on behalf of the Village.

Surcharge Special Revenue The surcharge special revenue fund accounts for and reports the surcharge paid by all members of the Village with municipal water and sewer service to assist in the repair of water and sewer lines.

Permissive Motor Vehicle License: The special revenue fund accounts for and reports resources received from the state for permissive motor vehicle license taxes used for road and street repair.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Drug Law Enforcement: The special revenue fund accounts for and reports resources restricted for the police department, the funds came from fines from drug offenders.

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 Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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* amounts via formal action (resolution). The Village must adhere to these commitments unless the 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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included 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 (committed, assigned, and 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 classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$403,021	\$114,530	(\$288,491)
Special Revenue	1,345	10,254	8,909
Total	\$404,366	\$124,784	(\$279,582)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$436,036	\$302,729	\$133,307
Special Revenue	5,398	4,494	904
Total	\$441,434	\$307,223	\$134,211

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$22,797
Total deposits	22,797
STAR Ohio	270,463
Total investments	270,463
Total carrying amount of deposits and investments held in the Pool (ties to FS)	293,260

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Village is holding no unremitted employee payroll withholdings.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

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

Income Taxes

The Village levies a municipal income tax of 2 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. RITA remits tax collections to the Village. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 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 the 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

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

	<u>2022</u>
Cash and investments	\$ 42,310,794
Actuarial liabilities	(\$15,724,479)

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2022.

Social Security

Eight of the 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, 2022.

Note 8 – Postemployment Benefits

Both OPERS offer 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 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022.

Note 9 – Debt

The Village has established a line of credit with PNC Bank Ohio in the amount of \$25,000 to be used for general operating expenses. The full amount is available for use, however, the Village has not used this account since 2018. The LOC was cancelled in 2022.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10– Contingent Liabilities

The Village is the defendant in several lawsuits. Although management cannot presently determine the outcome of the suits, the Village does not believe there is merit to the cases.

Note 11 – Jointly Governed Organizations

The Village is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes 44 political subdivisions in and around Delaware, Fairfield, Fayette, Franklin, Knox, Licking, Madison, Marion, Morrow, Pickaway, Ross, and Union counties, Ohio.

The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members. The Commission exercises total control over the operation of the MORPC's including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Commission.

Note 12 – Related Party Transactions

John Mathys, Mayor is the husband of Christy Mathys, Council member.

Sara Shaw, Council member, is the cousin to Council Member Lori Runyon.

Donn Crawford, Council member, is a brother-in-law to Council Member Lori Runyon.

Note 13 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 489.00	\$ 3,198.00	\$ 3,687.00
<i>Total</i>	<u>\$489</u>	<u>\$3,198</u>	<u>\$3,687</u>

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 14 – COVID-19

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

Note 15- Going Concern

In May 2021, the Village suspended its use of the traffic law enforcement photo-monitoring devices. The loss of this revenue, has a substantial impact on the Village, reducing revenues by \$270,000 in fiscal year 2022. Without another source of revenue or a significant reduction of expense, The Village's General Fund will likely operate with a negative balance in 2024. The Village is researching opportunities for other sources of revenue.

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Village of Brice, Ohio*Franklin County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2021*

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$955	\$0	\$955
Municipal Income Tax	49,600	0	49,600
Intergovernmental	16,882	5,716	22,598
Special Assessments	13,039	0	13,039
Charges for Services	22,383	2,458	24,841
Fines, Licenses and Permits	290,076	0	290,076
Earnings on Investments	261	0	261
Miscellaneous	726	0	726
<i>Total Cash Receipts</i>	<u>393,922</u>	<u>8,174</u>	<u>402,096</u>
Cash Disbursements			
Current:			
Security of Persons and Property	276,288	0	276,288
Transportation	0	49,934	49,934
General Government	159,061	0	159,061
<i>Total Cash Disbursements</i>	<u>435,349</u>	<u>49,934</u>	<u>485,283</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(41,427)</u>	<u>(41,760)</u>	<u>(83,187)</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	36,899	36,899
Transfers Out	(36,899)	0	(36,899)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(36,899)</u>	<u>36,899</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	(78,326)	(4,861)	(83,187)
<i>Fund Cash Balances, January 1</i>	<u>520,503</u>	<u>32,791</u>	<u>553,294</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$442,177</u></u>	<u><u>\$27,930</u></u>	<u><u>\$470,107</u></u>

See accompanying notes to the basic financial statements

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Village of Brice (the Village), Franklin County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A six-member Council directs the Village. The Village provides police services to provide security of persons and property, along with street lighting and street maintenance and repairs.

Jointly Governed Organizations and Public Entity Risk Pools

The Village participates in a jointly governed organization and a public entity risk pool. The Village management believes these financial statements present all activities for which the Village is financially accountable. Note 6 to the financial statements describes these assets of the public entity risk pool and note 11 describes the jointly governed organization.

Note 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 balances (regulatory cash basis) for all governmental fund types.

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:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Enforcement and Education The enforcement and education fund accounts for and reports resources restricted for the police department from fines collected by third parties on behalf of the Village.

Surcharge Special Revenue The surcharge special revenue fund accounts for and reports the surcharge paid by all members of the Village with municipal water and sewer service to assist in the repair of water and sewer lines.

Permissive Motor Vehicle License: The special revenue fund accounts for and reports resources received from the state for permissive motor vehicle license taxes used for road and street repair.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Drug Law Enforcement: The special revenue fund accounts for and reports resources restricted for the police department, the funds came from fines from drug offenders.

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 Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund 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. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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* amounts via formal action (resolution). The Village must adhere to these commitments unless the 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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included 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 (committed, assigned, and 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 classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$409,837	\$393,922	(\$15,915)
Special Revenue	54,928	45,073	(9,855)
Total	\$464,765	\$438,995	(\$25,770)

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$520,720	\$519,874	\$846
Special Revenue	49,935	49,934	1
Total	\$570,655	\$569,808	\$847

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

Cash Management Pool:

Demand deposits	\$ 14,355.00
Total deposits	14,355.00
 STAR Ohio	 455,241.00
Money Market Account	511.00
Total investments	455,752.00
Total carrying amount of deposits and investments held in the Pool (ties to FS)	470,107

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding no unremitted employee payroll withholdings.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

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

Income Taxes

The Village levies a municipal income tax of 2 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Authority (RITA) either monthly or quarterly, as required. RITA remits tax collections to the Village. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 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 the 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>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	(\$14,974,099)

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

Social Security

Eight of the 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, 2021.

Note 8 – Postemployment Benefits

Both OPERS offer 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 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021.

Note 9 – Debt

The Village has established a line of credit with PNC Bank Ohio in the amount of \$25,000 to be used for general operating expenses. The full amount is available for use, however, the Village has not used this account since 2018.

Note 10– Contingent Liabilities

The Village is the defendant in several lawsuits. Although management cannot presently determine the outcome of the suits, the Village does not believe there is merit to the cases.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 11 – Jointly Governed Organizations

The Village is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes 44 political subdivisions in and around Delaware, Fairfield, Fayette, Franklin, Knox, Licking, Madison, Marion, Morrow, Pickaway, Ross, and Union counties, Ohio.

The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members. The Commission exercises total control over the operation of the MORPC's including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Commission.

Note 12 – Related Party Transactions

Julia Evans, Fiscal Officer, who retired March 31, 2021, is the mother of Council President, Lori Runyon.

John Mathys, Mayor is the husband of Christy Mathys, Council member.

Sara Shaw, Council member, is the cousin to Lori Runyon and niece to Julia Evans, former Fiscal Officer.

Donn Crawford, Council member, is a brother-in-law to Council member Lori Runyon

Note 13 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	47,626	0	47,626
<i>Total</i>	<u>\$47,626</u>	<u>\$0</u>	<u>\$47,626</u>

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Village of Brice, Ohio
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 14 – COVID-19

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

Note 15- Going Concern

In May 2021, the Village suspended its use of the traffic law enforcement photo-monitoring devices. The loss of this revenue, has a substantial impact on the Village, reducing revenues by \$270,000 in fiscal year 2022. Without another source of revenue, we project the Village to have a negative fund balance by June 2024.

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Brice
Franklin County
5990 Columbus St
Brice, Ohio 43109

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements of the Village of Brice, Franklin County, (the Village), and have issued our report thereon dated November 21, 2023 wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We qualified our opinion on the General Fund cash receipts as we were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as Fines, Licenses and Permits from camera speed enforcement fines. Additionally, we noted the Village suspended its use of traffic law enforcement photo-monitoring devices in 2021 and has suffered recurring losses from operations raising substantial doubt about its ability to continue as a going concern. We also noted the financial impact of COVID-19 and the ensuing emergency measures which may impact subsequent periods of the Village.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented. 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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-002, 2022-003, and 2022-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-001.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 21, 2023

VILLAGE OF BRICE
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2022 and 2021

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

FINDING NUMBER 2022-001

Approval of Transfers- Noncompliance

Ohio Rev. Code § 5705.14 states that except in the case of transfer pursuant to division (E) of this section, transfers authorized by this section shall only be made by resolution of the taxing authority passed with the affirmative vote of two-thirds of the members. Ohio Rev. Code § 5705.14(E) indicates that money may be transferred from the general fund to any other fund of the subdivision. According to **1989 Op. Att'y. Gen. No. 89-075**, a resolution passed by a simple majority of the legislative authority is required to transfer moneys from the general fund to any other fund of the subdivision under Ohio Rev. Code § 5705.14. Additionally, the transfer procedures outlined by Ohio Rev. Code §§ 5705.15-.16, if applicable and used, equally require a specific resolution passed by a simple majority before seeking the tax commissioner's approval.

During fiscal year 2021, the Village transferred \$36,899 from the General Fund to the Street Construction and Maintenance Fund without a resolution passed by a simple majority. Failing to pass the appropriate resolutions prior to transferring monies could result monies not being used as Council has intended or for unallowable purposes. .

Prior to making transfers, the Village should review all provisions of **Ohio Rev. Code §§ 5705.14-.16** and ensure that a resolution is appropriately passed by the applicable number of council members pursuant to the statutory requirements.

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

FINDING NUMBER 2022-002

Budgetary Amounts not Recorded in Accounting System- Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

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 Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is

**VILLAGE OF BRICE
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 and 2021**

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

FINDING NUMBER 2022-002 (Continued)

Budgetary Amounts not Recorded in Accounting System- Material Weakness (Continued)

therefore necessary the amounts appropriated by the Council are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

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 Board/Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not accurately posted to the accounting system.

For the years ending December 31, 2022 and 2021 the following variances were identified:

Opinion Unit	Year		Estimated Receipts certified by Franklin County		Estimated Receipts Posted per UAN	Variance
General	2021		\$409,837		\$413,582	\$ (3,745)
General	2022		\$403,021		\$114,530	\$288,491

Opinion Unit	Year		Appropriations certified by Franklin County		Appropriations per UAN	Variance
General	2022		\$436,036		\$302,535	\$133,501
Special Revenue	2022		\$2,200		\$ 4,494	\$(2,294)

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances.

In addition, the Village used budgetary information derived from the UAN system to create their budgetary footnote, resulting in the aforementioned errors being included within the Village's notes to the financial statements.

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 Board/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.

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

**VILLAGE OF BRICE
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 and 2021**

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

FINDING NUMBER 2022-003

Service Organization Controls - Control Environment User Considerations - Material Weakness

Sound accounting practices require public officials to design and operate a system of internal control that is adequate to provide reasonable assurance over the reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations, and safeguarding of assets against unauthorized acquisition, use or disposition.

For the year ending December 31, 2021, the Village contracted the processing, billing, and collection of civil violation receipts generated by the Village's photo speed enforcement program, which are significant accounting functions, to third-party administrator Blue Line Solutions. These receipts provide a significant portion of income for the Village.

Due to deficiencies in internal controls, the Village has not established procedures to determine whether this service organization has sufficient controls in place and operating effectively to reasonably assure that photo speed enforcement violations have been authorized and completely and accurately processed in accordance with the contracts (billed, posted, and disbursed). Attestation standard (AT-C 320) Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting, prescribes standards for reporting on service organizations. An unmodified Type 2 Report on Management's Description of a Service Organization's System and a Service Auditor's Report on that Description and on the Suitability of Design and Operating Effectiveness of Controls in accordance with AT-C 320 should provide the Village with reasonable assurance that photo speed enforcement violations conform to the contracts between the Village and its contracted service provider.

Failing to ensure adequate controls are in place and operating effectively could result in errors occurring without detection.

The Village should require a Type 2 SOC 1 report in its contracts with third-party administrators and should review the SOC 1 report timely. The report should follow the American Institute of Certified Public Accountants' Attestation Standards and be performed by a firm registered and in good standing with the Accountancy Board of the respective state. If the third-party administrators refuse to furnish the Village with a Type 2 SOC 1 report, the Village should contract with third-party administrators that will provide this report.

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

VILLAGE OF BRICE
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2022 and 2021

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2022-004

Management Plan - Material Weakness

Management's evaluation of the Village's ability to continue as a going concern for a reasonable period of time involves making a judgment, at a particular point in time, about inherently uncertain future outcomes of conditions or events.

While the notes to the basic financial statements reflect the Village's significant reduction of revenue within Note 15 titled "Going Concern", a management plan addressing how the Village will overcome the conditions leading to the Going Concern Assumption has not been established. When substantial doubt exists, management must evaluate the conditions sufficiently to support the continued use of the going concern assumption and disclosure adequacy.

Procedures should be implemented to address operating losses. The Village's management and council should formally adopt a plan to address this negative financial condition and disclose the plan within the Village's notes to the financial statements.

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

Village of Brice

An Early American Village

5990 Columbus Street

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Brice, Ohio 43109

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Service Organization Controls-Control Environment User Considerations-Material Weaknesses (Originally issued in 2016)	Not Corrected	Re-issued as 2022-003
2020-002	Accurate Financial Reporting-Material Weakness (Originally issued in 2006)	Partially Corrected	Finding was re-issued in the management letter.
2020-003	Allocation of Revenues-Noncompliance and Material Weakness (Originally issued in 2014)	Fully Corrected	
2020-004	Negative Fund Balance-Noncompliance	Fully corrected	
2020-005	Budgetary Amounts Not Recorded in Accounting System-Material Weakness (Originally issued in 2006)	Not Corrected	Re-issued as 2022-002
2020-006	Annual Appropriation Measures-Noncompliance and Significant Deficiency (Originally issued in 2010)	Fully Corrected	
2020-007	Appropriations Exceeding Estimated Resources-Noncompliance and Significant Deficiency	Fully Corrected	
2020-008	Expenditures Exceeding Appropriations-Noncompliance and Significant Deficiency	Fully Corrected	

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BRICE

FRANKLIN 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 12/12/2023

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