

**VILLAGE OF BYESVILLE
GUERNSEY COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**



GUEYE & ASSOCIATES, CPA, INC.

2246 S. Hamilton Rd. Suite 102
Columbus, OH 43232

Tel: 614-342-0297
Fax: 614-423-6615
www.gueyecpa.com



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Village Council
Village of Byesville
221 East Main Street
Byesville, OH 43723

We have reviewed the *Independent Auditor's Report* of the Village of Byesville, Guernsey County, prepared by Gueye & Associates, CPA, for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Byesville is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 22, 2025

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**VILLAGE OF BYESVILLE
GUERNSEY COUNTY**

DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

Village of Byesville
Guernsey County
221 East Main Street
Byesville, OH 43723

To the Village Council:

Report on the Audit of the Financial Statements

Qualified and Adverse Opinions

We have audited the financial statements of the Village of Byesville, Guernsey County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023, and December 31, 2022, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* 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 and proprietary fund type, and the fiduciary fund type combined total as of and for the year ended December 31, 2023, and 2022 and the related notes of the Village of Byesville, Guernsey 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.

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, 2023, and December 31, 2022, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

Fines, Licenses and Permits for distributions, were reported at \$1,443, and \$614, in 2022 and 2023, respectively, and Other Distribution expenditures of \$1,613 in 2022 in the Mayor's Court fund, which are 100 percent of total Fiduciary funds receipts and expenditures for the year ended December 31, 2023, and 100% percent of total Fiduciary Fund operating receipts for the year ended December 31, 2022. We could not gain assurance on the accuracy and completeness of the mayor's court receipts and disbursements. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as fiduciary funds receipts and disbursements. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 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.

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.

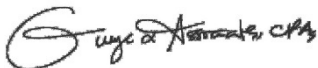
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- 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 March 21, 2025, 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.



Columbus, Ohio
March 21, 2025

Village of Byesville, Ohio
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2023

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 96,692	\$ 55,431	\$ -	\$ -	\$ 152,123
Municipal Income Tax	579,679	-			579,679
Intergovernmental	94,136	178,075	-	-	272,211
Charges for Services	25	182,220	-	-	182,245
Fines, Licenses and Permits	19,219	-	-	-	19,219
Earnings on Investments	37,126	3,686	-	-	40,812
Miscellaneous	16,115	156,454	-	-	172,569
Total Cash Receipts	842,992	575,866	-	-	1,418,858
Cash Disbursements					
Current:					
Security of Persons and Property	208,131	94,554	-	-	302,685
Public Health Services	-	-	-	-	-
Leisure Time Activities	-	29,397	-	-	29,397
Community Environment	3,801	6,391	-	-	10,192
Basic Utility Services	66,321	1,290	-	-	67,611
Transportation	-	165,108	-	-	165,108
General Government	197,952	1,256	-	-	199,208
Capital Outlay	158,591	178,726	-	-	337,317
Debt Service:					
Principal Retirement	10,199	25,023	27,705	-	62,927
Interest and Fiscal Charges	293	4,064	-	-	4,357
Total Cash Disbursements	645,288	505,809	27,705	-	1,178,802
Excess of Cash Receipts Over (Under) Cash Disbursements	197,704	70,057	(27,705)	-	240,056
Non-Operating Receipts (Disbursements)					
Loans Issued	-	70,000	-	-	70,000
Transfers In	-	125,500	24,500	-	150,000
Transfers Out	(150,000)	-	-	-	(150,000)
Total Non-Operating Receipts (Disbursements)	(150,000)	195,500	24,500	-	70,000
Net Change in Fund Cash Balances	47,704	265,557	(3,205)	-	310,056
Fund Cash Balances, January 1	250,384	444,079	3,205	9,277	706,945
Fund Cash Balances, December 31	\$ 298,088	\$ 709,636	\$ -	\$ 9,277	\$ 1,017,001

See accompanying notes to the basic financial statements

Village of Byesville, Ohio
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Types
For the Year Ended December 31, 2023

	Proprietary Fund Type
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	4,465,915
Miscellaneous	7,701
<i>Total Operating Cash Receipts</i>	<u>4,473,616</u>
Operating Cash Disbursements	
Personal Services	618,353
Employee Fringe Benefits	273,645
Contractual Services	870,438
Supplies and Materials	450,408
Other	10,327
<i>Total Operating Cash Disbursements</i>	<u>2,223,171</u>
<i>Operating Income (Loss)</i>	2,250,445
Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	18,522
Capital Outlay	(528,604)
Principal Retirement	(1,110,405)
Interest and Other Fiscal Charges	(381,796)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(2,002,283)</u>
<i>Income (Loss) before Capital Contributions, Special Item</i>	248,162
Transfers In	1,492,201
Transfers Out	(1,492,201)
<i>Net Change in Fund Cash Balances</i>	248,162
<i>Fund Cash Balances, January 1</i>	<u>591,302</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 839,464</u>

See accompanying notes to the basic financial statements

Village of Byesville, Ohio
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Types
For the Year Ended December 31, 2023

	Fiduciary Funds Type
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	\$ 614
<i>Total Additions</i>	<u>614</u>
Deductions	
Distributions as Fiscal Agent	-
Distributions to Other Governments	-
Distributions to Other Funds (Primary Gov't)	-
<i>Total Deductions</i>	<u>-</u>
<i>Net Change in Fund Balances</i>	614
<i>Fund Cash Balances, January 1</i>	<u>144</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 758</u></u>

See accompanying notes to the basic financial statements

Village of Byesville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 - Reporting Entity

The Village of Byesville (the Village), Guernsey 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 publicly elected six-member Council directs the Village. The Village provides Water and Sewer utilities, Fire/EMS services, and Police services.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in a public entity risk pool. Notes 6, to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

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 significant Special Revenue Funds:

Street Construction Maintenance and Repair Fund: This 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.

Fire/Ambulance Levy Fund: The Fire/Ambulance Fund is used to pay for supplies and contractual services for EMS.

State Highway Fund – This 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 the state highway within the Village. This includes traffic light repair and painting of pedestrian walking lines.

Parks and Recreation Fund – This fund is used for maintaining the park.

Fire Department Fund – This fund is used for supplies and contractual requirements.

New Fire Levy Fund – This fund is used to pay for the ladder truck payment.

Village of Byesville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Fire/Ambulance Levy Fund – This fund is used to pay for supplies and contractual services for EMS.

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following Debt Service Funds:

Street Debt Service Fund – This fund receives transfers to make scheduled debt payments.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Funds:

Other Capital Projects Fund – This fund receives special assessment monies and transfers from the General Fund for the construction of streets.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund – This fund accounts for the provision of water to the residents and commercial users located within the Village.

Sewer Fund – This fund accounts for the provision of sanitary sewer services to the residents and commercial users located within the Village.

Sewer Fund – Stop 9 Fund – This fund accounts for the provision of sanitary sewer services to the residents and commercial user.

Enterprise Improvement Fund – This fund is used for water and sewer improvement.

Water Debt Fund – This fund accounts and reports the portion of the fees collected for consumer rent and transfers for loan payments used for improvements to the Village water system.

Sewer Debt Fund – This fund accounts and reports the portion of the fees collected for consumer rent and transfers for loan payments used for improvements to the Village sewer system.

Utility Deposit Fund – This fund accounts for utility deposits and the refunding of deposits when customer moves.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund account is for Mayor Court.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Village of Byesville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 (except certain agency funds) 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. Appropriations lapse at year end.

Estimated Resources: Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 2023 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.

The Village maintains its funds in an interest-bearing checking account.

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.

Accumulated Leave

In certain circumstances, such as upon retirement, employees are entitled to cash payments for unused sick leave. The financial statements do not include a liability for unpaid leave.

Leases

The Village is the lessee in a lease related to property in which a well is located under noncancelable leases. Lease disbursements are recognized when they are paid in the amount of \$500.00 per month to Sonnefeld.

Village of Byesville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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:

Non-spendable: The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2023 follows:

Fund Type	2023 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	671,580	843,023	\$171,443
Special Revenue	582,690	771,366	188,676
Debt Service	24,500	24,500	0
Enterprise	5,705,933	5,984,339	278,406
Total	<u>\$6,984,703</u>	<u>\$7,623,228</u>	<u>\$638,525</u>

Village of Byesville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	912,189	795,288	\$116,901
Special Revenue	974,242	505,809	468,433
Debt Service	27,705	27,705	(0)
Capital Projects	9,277	0	9,277
Enterprise	6,260,729	5,736,177	524,552
Total	<u>\$8,184,141</u>	<u>\$7,064,979</u>	<u>\$1,119,162</u>

Note 4 – Deposits

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

	2023
Demand deposits	<u>\$ 1,857,223.00</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflects net payroll plus all remitted payroll withholdings. At December 31, 2023, the village is holding \$0.00 in unremitted employee payroll withholdings.

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.

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 homestead and rollback deductions. The financial statements include homestead and rollback 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 Tax

The Village levies a municipal income tax of one 1% 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.

Village of Byesville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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

Note 6 - Risk Management

Workers' Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Sedgwick provides administrative, cost control and actuarial services to the GRP.

Risk Pool Membership

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 (the latest information available):

	<u>2023</u>
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Several 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Village of Byesville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Ohio Police and Fire Retirement System:

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2023 was as follows:

Description	Principal	Interest Ra
OWDA 3553	\$ 31,093	2.00%
OWDA 3563	47,426	2.00%
OWDA 3672	1,163,246	1.50%
OWDA 3785	11,128	1.50%
OWDA 3906	407,558	3.25%
OWDA 3907	213,247	1.50%
OWDA 3924	203,990	1.50%
OWDA 3942	1,703,953	3.85%
OWDA 3943	1,275,011	1.50%
OWDA 4397	193,837	2.00%
OWDA 5174	29,623	0.00%
OWDA 5243	1,494,740	1.00%
OWDA 6594	706,064	0.00%
OWDA 8570	6,751,948	2.58%
OWDA 8686	147,595	1.97%
OWDA 8824	180,388	1.73%
OWDA 9173	1,346,863	1.28%
OWDA 9209	1,587,846	1.18%
OPWC CT42D	21,288	0.00%
OPWC CN32R	104,169	0.00%
OPWC CT58T	127,500	0.00%
Farmers' Merchant Bank	107,977	3.06%
The People's Bank	54,740	5.00%
Total	\$ 17,911,230	

Village of Byesville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

The Ohio Water Development Authority (OWDA) 3553 loan relates to the main street sewer replacement project. The OWDA approved up to \$180,000 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$4,613, including interest, over 25 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3563 loan relates to the main street replacement waterlines project. The OWDA approved up to \$275,415 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$7,049, including interest, over 25 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3672 loan relates to the microfiltration units project. The OWDA approved up to \$2,877,887 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$60,096, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3785 loan relates to the road access for water plant project. The OWDA approved up to \$380,656 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$11,211, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3906 loan relates to the well construction project. The OWDA approved up to \$958,000 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$20,165, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3907 loan relates to the waterline construction project. The OWDA approved up to \$499,745 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$10,551, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3924 loan relates to the water meters project. The OWDA approved up to \$479,777 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$10,093, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3942 loan relates to the new water treatment plant project. The OWDA approved up to \$3,358,770 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$95,739, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3943 loan relates to the new water treatment plant project. The OWDA approved up to \$3,000,000 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$63,081, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Village of Byesville, Ohio
Guernsey County
Notes to the Financial Statements
For the Year Ended December 31, 2023

The Ohio Water Development Authority (OWDA) 4397 loan relates to the booster station project. The OWDA approved up to \$410,195 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$9,125, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 5174 loan relates to the clearwell rehabilitation project. The OWDA approved up to \$107,719 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$2,693, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 5243 loan relates to the wastewater treatment plant project. The OWDA approved up to \$3,998,499 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$110,814, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 6594 loan relates to the UF replacement project. The OWDA approved up to \$1,314,117 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$38,149, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 8535 loan relates to the wastewater system improvements - planning project. The OWDA approved up to \$335,954 in loans to the Village for this project. This loan was paid off in 2021.

The Ohio Water Development Authority (OWDA) 8570 loan relates to the WTP improvements and expansion project. The OWDA approved up to \$7,059,780 in loans to the Village for this project. This loan has not yet been finalized.

The Ohio Water Development Authority (OWDA) 8686 loan relates to the sewer relining phase 2 project. The OWDA approved up to \$163,499 in loans to the Village for this project. This loan has not yet been finalized.

The Ohio Water Development Authority (OWDA) 8824 loan relates to Guernsey power station sanitary sewer extension phase 1. The OWDA approved up to \$207,092 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$6,147, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 9173 loan relates to Guernsey power station sanitary sewer extension phase 2. The OWDA approved up to \$1,414,521 in loans to the Village for this project. This loan has not yet been finalized.

The Ohio Water Development Authority (OWDA) 9209 loan relates to Pioneer road force main and pump station. The OWDA approved up to \$2,069,784 in loans to the Village for this project. This loan has not yet been finalized.

The Ohio Public Works Commission (OPWC) loan CT42D relates to the main street sanitary sewer and water line project. The loan is zero percent interest and matures in 2025 with semi-annual payments of \$5,322.

Village of Byesville, Ohio
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Notes to the Financial Statements
For the Year Ended December 31, 2023

The Ohio Public Works Commission (OPWC) loan CN32R relates to the sanitary sewer relining project. The loan is zero percent interest and matures in 2048 with semi-annual payments of \$2,126.

The Ohio Public Works Commission (OPWC) loan CT58T relates to the WTP filter replacement project. This loan is zero percent interest and matures in 2041 with semi-annual payments of \$3,750.

The Farmer's Merchant Bank loan was issued in 2022 to purchase a ladder truck for the Fire Department. The loans matures in 2027 with equal annual payments of 29,117 at a 3.056% interest rate.

The People's Bank loan was issued in 2023 to purchase an Asphalt Roller. The loan is 5% and matures in 2027 with annual payments of \$15,553.

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

Year Ending December 31:	OWDA Loans	OPWC Loans	Farmer's Merchant Bank Truck Ladder	People's Bank Equipment
2024	\$ 901,270	\$ 22,396	\$ 29,117	\$ 15,553
2025	901,270	22,396	29,117	15,553
2026	878,847	11,752	29,117	15,553
2027	878,847	11,752	29,117	15,553
2028	878,847	11,752	-	-
2029-2033	4,367,305	58,759	-	-
2034-2048	4,367,305	58,759	-	-
2039-2043	61,466	55,391	-	-
2044-2048	36,620	-	-	-
2049-2053	366,620	-	-	-
Total	\$ 13,638,397	\$ 252,957	\$ 116,468	\$ 62,212

No amortization schedules are currently available for OWDA 8570, OWDA 9173, and OWDA 9209. These loans have not been finalized.

Note 10 – 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. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Village of Byesville, Ohio
Guernsey 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	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 96,695	\$ 53,332	\$ -	\$ -	\$ 150,027
Municipal Income Tax	482,138	-	-	-	482,138
Intergovernmental	110,211	271,263	-	-	381,474
Special Assessments	-	-	-	-	-
Charges for Services	75	166,353	-	-	166,428
Fines, Licenses and Permits	37,040	981	-	-	38,021
Earnings on Investments	32,989	3,498	-	-	36,487
Miscellaneous	26,961	67,268	-	-	94,229
Total Cash Receipts	786,109	562,695	-	-	1,348,804
Cash Disbursements					
Current:					
Security of Persons and Property	221,366	86,051	-	-	307,417
Public Health Services	-	-	-	-	-
Leisure Time Activities	-	26,484	-	-	26,484
Community Environment	2,946	5,659	-	-	8,605
Basic Utility Services	55,215	650	-	-	55,865
Transportation	-	139,659	-	-	139,659
General Government	174,244	5,195	-	-	179,439
Capital Outlay	203,712	559,045	-	-	762,757
Debt Service:					
Principal Retirement	-	-	22,643	-	22,643
Total Cash Disbursements	657,483	822,743	22,643	-	1,502,869
Excess of Cash Receipts Over (Under) Ca	128,626	(260,048)	(22,643)	-	(154,065)
Non-Operating Receipts (Disbursements)					
Sales Of Capital Assets	-	447	-	-	447
Loan Issued	-	133,000	-	-	133,000
Transfers In	-	105,000	24,424	-	129,424
Transfers Out	(129,424)	-	-	-	(129,424)
Total Non-Operating Receipts (Disbursements)	(129,424)	238,447	24,424	-	133,447
Net Change in Fund Cash Balances	(798)	(21,601)	1,781	-	(20,618)
Fund Cash Balances, January 1	251,182	465,680	1,424	9,277	727,563
Fund Cash Balances, December 31	\$ 250,384	\$ 444,079	\$ 3,205	\$ 9,277	\$ 706,945

See accompanying notes to the basic financial statements

Village of Byesville, Ohio
Guernsey County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Types
For the Year Ended December 31, 2022

	<u>Proprietary Funds Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	3,568,386
Miscellaneous	364
<i>Total Operating Cash Receipts</i>	<u>3,568,750</u>
Operating Cash Disbursements	
Personal Services	621,301
Employee Fringe Benefits	285,259
Contractual Services	574,157
Supplies and Materials	427,652
Other	3,915
<i>Total Operating Cash Disbursements</i>	<u>1,912,284</u>
<i>Operating Income (Loss)</i>	1,656,466
Non-Operating Receipts (Disbursements)	
Intergovernmental Receipts	12,375
Other Debt Proceeds	367,775
Miscellaneous Receipts	8,097
Capital Outlay	(1,070,868)
Principal Retirement	(1,096,045)
Interest and Other Fiscal Charges	(403,603)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(2,182,269)</u>
<i>Income (Loss) before Capital Contributions, Special Items</i>	(525,803)
Transfers In	1,499,648
Transfers Out	<u>(1,499,648)</u>
<i>Net Change in Fund Cash Balances</i>	(525,803)
<i>Fund Cash Balances, January 1</i>	<u>1,117,105</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 591,302</u></u>

See accompanying notes to the basic financial statements

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

	Fiduciary Funds Type
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	\$ 1,443
<i>Total Additions</i>	<u>1,443</u>
Deductions	
Other Distributions	<u>1,613</u>
<i>Total Deductions</i>	<u>1,613</u>
<i>Net Change in Fund Balances</i>	(170)
<i>Fund Cash Balances, January 1</i>	<u>314</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 144</u></u>

See accompanying notes to the basic financial statements

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

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Byesville, Guernsey County, (the Village) as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides general government services, water and sewer utilities, maintenance of Village roads and bridges, park operations, and police and fire services.

Public Entity Risk Pools

The Village participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

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 significant Special Revenue Funds:

Street Construction Maintenance and Repair Fund: This 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.

State Highway Fund – This 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 the state highway within the Village. This includes traffic light repair and painting of pedestrian walking lines.

Parks and Recreation Fund – This fund is used for maintaining the park.

Fire Department Fund – This fund is used for supplies and contractual requirements.

New Fire Levy Fund – This fund is used to pay for the ladder truck payment.

Fire/Ambulance Levy Fund – This fund is used to pay for supplies and contractual services for EMS.

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

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following Debt Service Fund:

Street Debt Service Fund – This fund receives transfers to make scheduled debt payments.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Funds:

Other Capital Projects Fund – This fund receives special assessment monies and transfers from the General Fund for the construction of streets.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund – This fund accounts for the provision of water to the residents and commercial users located within the Village.

Sewer Fund – This fund accounts for the provision of sanitary sewer services to the residents and commercial users located within the Village.

Sewer Fund – Stop 9 Fund – This fund accounts for the provision of sanitary sewer services to the residents and commercial users.

Enterprise Improvement Fund – This fund is used for water and sewer improvement.

Water Debt Fund – This fund accounts and reports the portion of the fees collected for consumer rent and transfers for loan payments used for improvements to the Village water system.

Sewer Debt Fund – This fund accounts and reports the portion of the fees collected for consumer rent and transfers for loan payments used for improvements to the Village sewer system.

Utility Deposit Fund – This fund accounts for utility deposits and the refunding of deposits when a customer moves.

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for the activity of the Village's Mayor's Court.

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.

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

Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) 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. Appropriations lapse at year end.

Estimated Resources: Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 2022 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.

The Village maintains its funds in an interest-bearing checking account.

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.

Accumulated Leave

In certain circumstances, such as upon retirement, employees are entitled to cash payments for unused sick leave. The financial statements do not include a liability for unpaid leave.

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:

Non-spendable: The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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.

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

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$617,596	\$786,109	\$168,513
Special Revenue	637,510	801,142	163,632
Debt Service	23,000	24,424	1,424
Enterprise	5,464,517	5,456,645	(7,872)
Total	<u>\$6,742,622</u>	<u>\$7,068,320</u>	<u>\$325,698</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$830,214	\$789,810	\$40,404
Special Revenue	1,000,885	\$828,822	172,063
Debt Service	24,424	\$22,643	1,781
Capital Projects	18,553	0	18,553
Enterprise	6,192,292	\$5,986,059	206,233
Total	<u>\$8,066,368</u>	<u>\$7,627,334</u>	<u>\$439,034</u>

Note 4 – Deposits

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

	2022
Demand deposits	<u>\$ 1,298,391</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflects net payroll plus all remitted payroll withholdings. At December 31, 2022, the village is holding \$0.00 in unremitted employee payroll withholdings.

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

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.

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 homestead and rollback deductions. The financial statements include homestead and rollback 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 Tax

The Village levies a municipal income tax of one 1% 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. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 - Risk Management

Workers' Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Sedgwick provides administrative, cost control and actuarial services to the GRP.

Risk Pool Membership

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

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

- 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 (the latest information available):

2023

Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Several 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% of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System:

The Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2022.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

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

Note 9 – Debt

Debt outstanding at December 31, 2022 was as follows:

Description	Principal	Interest Rate
OWDA 3553	\$ 39,571	2.00%
OWDA 3563	60,381	2.00%
OWDA 3672	1,264,839	1.50%
OWDA 3785	33,137	1.50%
OWDA 3906	441,394	3.25%
OWDA 3907	230,951	1.50%
OWDA 3924	220,925	1.50%
OWDA 3942	1,826,285	3.85%
OWDA 3943	1,380,862	1.50%
OWDA 4397	207,996	2.00%
OWDA 5174	35,009	0.00%
OWDA 5243	1,699,881	1.00%
OWDA 6594	771,039	0.00%
OWDA 8570	6,938,292	2.58%
OWDA 8686	148,339	1.97%
OWDA 8824	189,443	1.73%
OWDA 9173	1,414,048	1.28%
OWDA 9209	1,681,866	1.18%
OPWC CT42D	31,933	0.00%
OPWC CN32R	108,421	0.00%
OPWC CT58T	135,000	0.00%
Farmers' Merchant Bank	133,000	2.99%
Kansas State Bank Street Sweeper	21,950	5.00%
Total	\$ 19,014,562	

The Ohio Water Development Authority (OWDA) 3553 loan relates to the main street sewer replacement project. The OWDA approved up to \$180,000 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$4,613, including interest, over 25 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3563 loan relates to the main street replacement waterlines project. The OWDA approved up to \$275,415 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$7,049, including interest, over 25 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3672 loan relates to the microfiltration units project. The OWDA approved up to \$2,877,887 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$60,096, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3785 loan relates to the road access for water plant project. The OWDA approved up to \$380,656 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$11,211, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

The Ohio Water Development Authority (OWDA) 3906 loan relates to the well construction project. The OWDA approved up to \$958,000 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$20,165, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3907 loan relates to the waterline construction project. The OWDA approved up to \$499,745 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$10,551, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3924 loan relates to the water meters project. The OWDA approved up to \$479,777 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$10,093, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3942 loan relates to the new water treatment plant project. The OWDA approved up to \$3,358,770 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$95,739, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 3943 loan relates to the new water treatment plant project. The OWDA approved up to \$3,000,000 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$63,081, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 4397 loan relates to the booster station project. The OWDA approved up to \$410,195 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$9,125, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 5174 loan relates to the clearwell rehabilitation project. The OWDA approved up to \$107,719 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$2,693, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 5243 loan relates to the wastewater treatment plant project. The OWDA approved up to \$3,998,499 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$110,814, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) 6594 loan relates to the UF replacement project. The OWDA approved up to \$1,314,117 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$38,149, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

The Ohio Water Development Authority (OWDA) 8535 loan relates to the wastewater system improvements - planning project. The OWDA approved up to \$335,954 in loans to the Village for this project. This loan was paid off in 2021.

The Ohio Water Development Authority (OWDA) 8570 loan relates to the WTP improvements and expansion project. The OWDA approved up to \$7,059,780 in loans to the Village for this project. This loan has not yet been finalized.

The Ohio Water Development Authority (OWDA) 8686 loan relates to the sewer relining phase 2 project. The OWDA approved up to \$163,499 in loans to the Village for this project. This loan has not yet been finalized.

The Ohio Water Development Authority (OWDA) 8824 loan relates to Guernsey power station sanitary sewer extension phase 1. The OWDA approved up to \$207,092 in loans to the Village for this project. The Village will repay the loan in semiannual installments of \$6,147, including interest, over 20 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan CT42D relates to the main street sanitary sewer and water line project. The loan is zero percent interest and matures in 2025 with semi-annual payments of \$5,322.

The Ohio Public Works Commission (OPWC) loan CN32R relates to the sanitary sewer relining project. The loan is zero percent interest and matures in 2048 with semi-annual payments of \$2,126.

The Ohio Public Works Commission (OPWC) loan CT58T relates to the WTP filter replacement project. This loan is zero percent interest and matures in 2041 with semi-annual payments of \$3,750.

The Farmer's Merchant Bank loan was issued in 2022 to purchase a ladder truck for the Fire Department. The loan matures in 2027 with equal annual payments of 29,117 at a 3.056% interest rate.

The Kansas State Bank loan was used to purchase Street Sweeper. The loan is 3.16% and matures in 2023 with annual payments of \$22,644.

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

Year Ending December 31:	OWDA Loans	OPWC Loans	KSB Street Sweeper	Farmer's Merchant Bank	People's Bank Equipment
2023	\$901,270	\$22,396	\$22,644	\$29,117	\$15,553
2024	901,270	22,396	0	29,117	15,553
2025	901,270	22,396	0	29,117	15,553
2026	878,847	22,396	0	29,117	15,553
2027	878,847	11,752	0	29,117	15,553
2028-2032	4,394,235	58,759	0	0	0
2033-2037	4,394,235	58,759	0	0	0
2038-2042	61,467	56,500	0	0	0
2043-2047	36,620	0	0	0	0
Total	<u>\$13,348,061</u>	<u>\$275,354</u>	<u>\$22,644</u>	<u>\$145,585</u>	<u>\$77,765</u>

No amortization schedules are currently available for OWDA 8570, and OWDA 8686. These loans have not been finalized.

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

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 13 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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	Debt Service	Capital Projects	Permanent	Total
Outstanding Encumbrances	\$ 2,903	\$ 6,079	\$ -	\$ -	\$ -	\$ 8,982
<i>Total</i>	<u>\$ 2,903</u>	<u>\$ 6,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,982</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – 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. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.



GUEYE & ASSOCIATES, CPA, INC.

2246 S. Hamilton Rd
Suite 102
Columbus, Ohio 43232

Tel: 614-342-0297
Fax: 614-423-6615
www.gueyecpa.com

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

Village of Byesville
Guernsey County
7120 North Street
Byesville, Ohio 43153

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 the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental, the proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Byesville, Guernsey County (the Village) and have issued our report thereon dated March 21, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit and qualified our opinion on the fiduciary fund type revenues and expenses.

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 that are appropriate in the circumstances for the purposes 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *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.

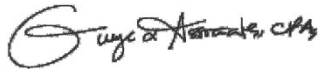
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items No. 2023-001, 2023-002, 2023-003, 2023-004, and 2023-005 that we consider to be material weaknesses.

Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items Nos. 2023-005, and 2023-006.

Purpose of this Report

This 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.

A handwritten signature in black ink, appearing to read "Suzanne A. [unclear] CPA".

Columbus, Ohio
March 21, 2025

**VILLAGE OF BYESVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022**

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

FINDING NUMBER 2023-001

Material Weakness – Utility Receipts Depositing and Account Posting issues

In our audit engagement letter, as required by AU-C Section 210, 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.

This responsibility includes the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements.

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Due to deficiencies in internal controls, it appears that the utility receipts were not deposited in a timely manner or in the same amounts as posted in the utility payment register. In addition, it appears that amounts posted in the subsidiary utility ledgers do not correspond to the actual deposits made.

These issues were made possible by a lack of strong internal controls and lack of bank account reconciliations within the cash collection departments in the Village.

The Village should ensure all utility receipts are identified, assembled and timely deposited in the appropriate accounts maintained by the Village. In addition, reconciliations of the utility bank account should be performed daily to ensure all receipts were deposited accurately and timely.

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

FINDING NUMBER 2023-002

Material Weakness – Material misclassifications

In our audit engagement letter, as required by AU-C Section 210, 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.

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

**VILLAGE OF BYESVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2021-002

Material Weakness – Material misclassifications (Continued)

The Ohio Village Handbook provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

The Village did not properly post all receipts and expenditures. Amounts were not always posted to the correct fund and/or line item. The following errors were noted:

We noted the following in 2023:

- Homestead Rollbacks revenues in the sum of \$ 16,528 were receipted as Property and Other Local Taxes, instead of Intergovernmental Revenues, in the General, Fire Department Special Revenue, and Fire/Amb Levy Funds respectively.
- A total of \$109,004 in charges for services from Gemma Station was incorrectly recorded as Proceeds from debt.
- Principal payment of \$361,396, \$25,023, and \$10,199 were incorrectly classified as interest or other payments in the Water, Fire, and General funds.
- Utility receipts already deposited in the utility bank account totaling \$41,897 were not recorded in the Village's account system, resulting in an understatement of the same amount for utility receipts.

We noted the following in 2022:

- Homestead Rollbacks revenues in the sum of \$ 16,686 were receipted as Property and Other Local Taxes, instead of Intergovernmental Revenues, in the General, Fire Department Special Revenue, and Fire/Amb Levy Funds.
- A total of \$246,108 in charges for services from Guernsey and Gemma Station was incorrectly recorded as Proceeds from debt.
- Principal disbursements of \$204,805 in the Water Fund were recorded as Interest payments.

Audit adjustments, which were agreed by management, are reflected in the financial statements and in the accounting, records correcting the misstatement. In addition, revisions were made to the Hinkle footnotes filed.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

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

**VILLAGE OF BYESVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

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

FINDING NUMBER 2023-003

Material Weakness - Mayor's Court Activities and On-Behalf Payments

In our audit engagement letter, as required by AU-C Section 210, 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.

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Ohio Village Handbook provides suggested account classifications. These accounts classify receipts by fund and source (taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

Further, Auditor of State (AOS) Bulletin 2000-008 provides guidance for cash basis accounting for on-behalf funding. In short, the Bulletin indicates that when a local government enters into an on-behalf-of program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The Village did not always accurately classify receipts and disbursements to the correct account classification.

For the year ended December 31, 2023, the following errors were noted:

- Mayor's Court financial activity was not included in the Village's accounting ledger or the Financial Statements filed in the Hinkle System.

For the year ended December 31, 2022, the following errors were noted:

- Mayor's Court financial activity was not included in the Village's accounting ledger or the Financial Statements filed in the Hinkle System.
- OWDA debt proceeds of \$133,000 paid directly to the contractors and/or for capitalized interest were not recorded as debt proceeds and its corresponding expenditures as capital outlay and interest payments.

The adjustments above, with which management agrees, are reflected in the accompanying financial statements.

The Village did not have procedures in place to accurately post receipts, disbursements, and fund balance in the correct classification to the accounting system.

**VILLAGE OF BYESVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-003(Continued)

Material Weakness - Mayor's Court Activities and On-Behalf Payments (Continued)

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the Village's financial position and operations.

The Fiscal Officer should refer to the Ohio Village Handbook, and AOS Bulletin 2000-08 for proper receipt, expenditure, fund balance classifications, and on-behalf receipts and expenditures, and take additional care in posting transactions to the Village ledgers in order to ensure the Village's year-end financial statements reflect the appropriate sources and uses of the Village's financial resources.

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

FINDING NUMBER 2023-004

Material Weakness - Timely Processing of Income Tax Returns and Withholding Reconciliations

In our audit engagement letter, as required by AU-C Section 210, 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.

This responsibility includes the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements.

The Village income tax ordinance Section 183.06 requires the Fiscal Officer to administer the Village's Department of Taxation. This includes the internal examination and audits of all operations of the income tax department.

In 2022, income tax returns filed with the Village were not timely processed, resulting in missing income tax returns and payments not deposited in a timely manner. In addition, withholding reconciliations were not performed in a timely manner.

The Village did not have procedures in place to timely process and post the income tax returns and withholding reconciliations received from taxpayers.

The Village should ensure that all income tax returns are timely and properly filed and processed. The Village should also ensure annual withholding reconciliations are performed on time and any discrepancies resolved with taxpayers in a timely manner.

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

**VILLAGE OF BYESVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-005

Material Weakness/Noncompliance: Timely Depositing of monies

Ohio Rev. Code § 9.38 states: a person who is a public official other than a state officer, employee, or agent shall deposit all public moneys received by that person with the treasurer of the public office or properly designated depository on the business day next following the day of receipt, if the total amount of such moneys received exceeds one thousand dollars. If the total amount of the public moneys so received does not exceed one thousand dollars, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited.

In 2022, the Village did not timely deposit cash and checks collected from various cash collected points as required by the Ohio Revised Code.

The Village should establish policies and procedures regarding timely depositing of monies and enforce them to ensure monies collected by the various cash collection points are timely deposited and reconciled with the bank accounts.

Officials' Response: We did not receive a response from Officials for this finding

FINDING NUMBER 2023-006

Non-Compliance: Prior Certification

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Rev. Code.

- A. "Then and Now" Certificate - If the chief fiscal officer can certify that both at the time the contract or order was made ("then") and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without resolution or ordinance upon completion of the "then and now" certificate provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

**VILLAGE OF BYESVILLE
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2023-006 (Continued)

Non-Compliance: Prior Certification (Continued)

- B. Blanket Certificate - Fiscal Officer may prepare "blanket" certificates for a certain sum of money not to exceed of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line-item account over a period not running beyond the end of the current fiscal. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line-item appropriations.
- C. Super Blanket Certificate - The Village may also make expenditures and contract for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certificate may, but need not, be limited to a specific vendor. This certificate is noted to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any one-line item appropriation.

The Village did not properly certify the availability of funds prior to the purchase commitment for 8 out of 22 purchases or 36.36%, and 8 out of 27 or 29.63% of transactions tested in 2022 and 2023, respectively, and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used. The Village should also implement procedures to ensure expenditure does not exceed available resources, thus avoiding negative fund balance situations and enabling the Village to properly certify the availability of funds for purchases.

Officials' Response: We did not receive a response from officials for this finding.

**VILLAGE OF BYESVILLE
GUERNSEY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	Material Weakness – Utility Receipts Depositing and Account Posting issues.	Not Corrected	Reissued as Finding # 2023-001
2021--002	Material Weakness – Material misclassifications.	Not Corrected	Reissued as Finding # 2023-002
2021-003	Material Weakness - Mayor's Court Activities and On-Behalf Payments.	Not Corrected	Reissued as Finding # 2023-003
2021-004	Material Weakness - Timely Processing of Income Tax Returns and Withholding Reconciliations.	Not Corrected	Reissued as Finding # 2023-004
2021-005	Material Weakness/Noncompliance: Timely Depositing of monies.	Partially Corrected	Reissued as Finding # 2023-005

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BYESVILLE

GUERNSEY 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 9/4/2025

65 East State 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