

**VILLAGE OF COLDWATER**  
MERCER COUNTY, OHIO

**REGULAR AUDIT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2022 & 2021**



OHIO AUDITOR OF STATE  
KEITH FABER



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Members of the Village Council  
Village of Coldwater  
610 W. Sycamore Street  
Coldwater, OH 45828-1662

We have reviewed the *Independent Auditor's Report* of the Village of Coldwater, Mercer County, prepared by Julian & Grube, Inc., for the audit period January 1, 2021 through December 31, 2022. 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 Coldwater is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

November 21, 2023

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**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

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**Independent Auditor's Report**

Village of Coldwater  
Mercer County  
610 West Sycamore Street  
Coldwater, Ohio 45828

To the Members of the Village Council:

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total of the Village of Coldwater, Mercer County, Ohio, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total of the Village of Coldwater, as of and for the years ended December 31, 2022 and 2021 in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 1.

***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 referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Coldwater, as of December 31, 2022 and 2021, or changes in net position, and 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 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 of Coldwater 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 Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Village of Coldwater 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 a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirements of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Though the Village of Coldwater does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Our opinions on this accounting basis are in the "Unmodified Opinions on Regulatory Basis of Accounting" paragraph above.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). 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 misstatements, 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 of Coldwater'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 generally accepted auditing standards and *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 generally accepted auditing standards 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 of Coldwater'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.



Village of Coldwater  
Mercer County  
Independent Auditor's Report

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Coldwater'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 September 26, 2023 on our consideration of the Village of Coldwater's internal control over financial reporting and on 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 of Coldwater'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 Village of Coldwater's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
September 26, 2023

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

	Governmental Fund Types				Combined Total
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 203,554	\$ 61,366	\$ -	\$ -	\$ 264,920
Municipal Income Tax	2,339,012	-	-	-	2,339,012
Intergovernmental	196,378	549,038	-	-	745,416
Special Assessments	-	5,625	-	-	5,625
Charges for Services	390,109	111,910	-	-	502,019
Licenses, Permits and Fees	6,418	-	-	-	6,418
Fines and Forfeitures	10,818	1,426	-	-	12,244
Earnings on Investments	77,826	14,960	-	-	92,786
Miscellaneous	42,767	46,985	-	3,000	92,752
<i>Total Cash Receipts</i>	<u>3,266,882</u>	<u>791,310</u>	<u>-</u>	<u>3,000</u>	<u>4,061,192</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	997,148	171	-	-	997,319
Public Health Services	27,133	-	-	-	27,133
Transportation	-	577,365	-	-	577,365
Conservation/Recreation	-	214,514	-	-	214,514
General Government	556,984	-	-	1,823	558,807
Capital Outlay	160,402	556,001	-	-	716,403
Debt Service:					
Principal Retirement	-	122,462	-	-	122,462
Interest and Fiscal Charges	-	4,209	-	-	4,209
<i>Total Cash Disbursements</i>	<u>1,741,667</u>	<u>1,474,722</u>	<u>-</u>	<u>1,823</u>	<u>3,218,212</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,525,215</u>	<u>(683,412)</u>	<u>-</u>	<u>1,177</u>	<u>842,980</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	30,100	4,850	-	-	34,950
Transfers In	-	665,000	-	180,000	845,000
Transfers Out	(845,000)	-	-	-	(845,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(814,900)</u>	<u>669,850</u>	<u>-</u>	<u>180,000</u>	<u>34,950</u>
<i>Net Change in Fund Cash Balances</i>	710,315	(13,562)	-	181,177	877,930
<i>Fund Cash Balances, January 1</i>	<u>3,013,531</u>	<u>609,706</u>	<u>292</u>	<u>679,578</u>	<u>4,303,107</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,723,846</u>	<u>\$ 596,144</u>	<u>\$ 292</u>	<u>\$ 860,755</u>	<u>\$ 5,181,037</u>

*See accompanying notes to the basic financial statements*

**Village of Coldwater**  
*Mercer County, Ohio*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2022*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 1,467,384
Miscellaneous	18,833
	1,486,217
<b>Operating Cash Disbursements</b>	
Personal Services	246,264
Employee Fringe Benefits	171,707
Contractual Services	307,832
Supplies and Materials	203,526
Other	714
	930,043
<i>Total Operating Cash Disbursements</i>	<i>930,043</i>
<i>Operating Income (Loss)</i>	<i>556,174</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Capital Outlay	(189,737)
Principal Retirement	(258,873)
Interest and Other Fiscal Charges	(20,851)
	(469,461)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(469,461)</i>
<i>Net Change in Fund Cash Balances</i>	<i>86,713</i>
<i>Fund Cash Balances, January 1</i>	<i>637,857</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 724,570</i>

*See accompanying notes to the basic financial statements*

**Village of Coldwater**  
*Mercer County, Ohio*  
*Combined Statement of Additions, Deductions*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2022*

	Fiduciary Fund Type
	Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$ 6,785
<i>Total Additions</i>	6,785
<b>Deductions</b>	
Distributions to Other Governments	6,785
<i>Total Deductions</i>	6,785
<i>Net Change in Fund Balances</i>	-
<i>Fund Cash Balances, January 1</i>	-
<i>Fund Cash Balances, December 31</i>	\$ -

*See accompanying notes to the basic financial statements*

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Village of Coldwater (the Village), Mercer 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, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department.

The Village participates in a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool: Ohio Plan Risk Management, Inc. (OPRM)

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

**B. Accounting Basis**

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.

**C. Deposits and Investments**

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

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

**D. 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:

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (Continued)**

**1. 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.

**2. 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 receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**Park Operation Fund** – This fund is used to account for the costs associated with the municipal park system within the Village.

**American Rescue Plan Act Fund** – This fund is used to account for ARPA grants related to COVID-19 and related expenses or other authorized projects as outlined in the Act.

**3. 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 significant Debt Service Fund:

**General Obligation Bond Retirement Fund** – This fund is used to account for the accumulation of resources for the payment of general long-term debt principal and interest and related costs.

**4. 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:

**Industrial Development Fund** – This fund is for the purchase, operation and further development of the Village Industrial Park.

**Fire Capital Fund** – This fund was established for the purchase of fire equipment for the volunteer fire department.

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (Continued)**

**5. 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 receives charges for services from residents to cover water service costs.

**Sewer Fund** - This fund receives charges for services from residents to cover sewer service costs.

**Storm Sewer Improvement Fund** – This fund receives charges for services from residents to cover the costs of updating the storm sewer.

**6. 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 accounts for the collection and distribution of Mayor’s Court fines, fees and bonds.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (Continued)**

**F. 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:

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

**2. 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.

**3. 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.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**G. Property, Plant, and Equipment**

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



**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (Continued)**

**H. Accumulated Leave**

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

**I. 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

**2. Equity in Pooled Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	<u>2022</u>
Demand deposits	\$ 277,841
Other time deposits (savings and NOW accounts)	<u>3,265</u>
Total deposits	<u>281,106</u>
STAR Ohio	<u>5,624,501</u>
Total investments	<u>5,624,501</u>
Total deposits and investments	<u>\$ 5,905,607</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

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

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**3. Budgetary Activity**

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,645,980	\$ 3,296,982	\$ 651,002
Special Revenue	1,590,700	1,461,160	(129,540)
Debt Service	-	-	-
Capital Projects	153,000	183,000	30,000
Enterprise	1,431,200	1,486,217	55,017
Fiduciary	6,875	6,785	(90)
Total	\$ 5,827,755	\$ 6,434,144	\$ 606,389

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,717,800	\$ 2,586,667	\$ 131,133
Special Revenue	1,537,000	1,474,722	62,278
Debt Service	-	-	-
Capital Projects	4,300	1,823	2,477
Enterprise	1,469,710	1,399,504	70,206
Fiduciary	6,785	6,785	-
Total	\$ 5,735,595	\$ 5,469,501	\$ 266,094

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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

**5. Local Income Tax**

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**6. Debt**

Debt outstanding at December 31, 2022 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works-Northwest Sanitary Sewer	\$ 11,600	0.00%
Ohio Public Works-Water Treatment Plant	\$ 87,500	0.00%
Ohio Public Works-Mill Street	\$ 119,200	0.00%
Ohio Public Works-Sanitary Sewer	\$ 358,333	0.00%
OWDA Water/Sewer Expansion	\$ 694,495	1.00%
Various Purpose Refunding Bond 2015	\$ 430,000	1.00-2.65%
Ohio Public Works-Sanitary Sewer Overflow	\$ 383,395	0.00%
Ohio Public Works-2019 Street	\$ 229,915	0.00%
Ohio Public Works-Second Street Reconstruction	\$ 189,743	0.00%
Total	<u>\$ 2,504,181</u>	

During 2003 the Village received an interest free loan from the Ohio Public Works Commission totaling \$154,660 for the Northwest Sanitary Sewer trunk project. The loan requires semi-annual payments of \$3,867 through 2024. Principal retirements during 2022 amounted to \$7,733.

During 2005 the Village received an interest free loan from the Ohio Public Works Commission totaling \$500,000 for the replacement of the water treatment plant. The loan requires semi-annual payments of \$12,500, through 2026. Principal retirements during 2022 amounted to \$25,000.

During 2009 the Village received an interest free loan from the Ohio Public Works Commission totaling \$298,000 for the Mill Street Project. The loan requires semi-annual payments of \$7,450 through 2030. Principal retirements during 2022 amounted to \$14,900.

During 2013, the Village received an interest free loan from the Ohio Public Works Commission totaling \$500,000 for the sanitary sewer repair project. The loan requires semi-annual payments of \$8,333 through 2044. Principal retirement during 2022 amounted to \$16,666.

During 2013 the Village received a 1% loan from the Ohio Water Development Authority totaling \$1,208,687 for a Sanitary Sewer Lining Project. The loan requires semi-annual payments of \$33,415 through 2034. Principal and interest payments during 2022 amounted to \$66,830.

During 2015 the Village issued \$1,345,000 Various Purpose Refunding Bonds Series 2015. This bond re-financed the \$2,400,000 Various Purpose Bond from 2005. Principal retirements during 2022 amounted to \$135,000.

During 2017 the Village received an interest free loan from the Ohio Public Works Commission totaling \$451,052 for Sanitary Sewer Overflow corrections. The loan requires semi-annual payments of \$7,518 through 2048. Principal retirements during 2022 amounted to \$15,035.

During 2019 the Village received an interest free loan from the Ohio Public Works Commission totaling \$262,760 for various street repairs. The loan requires semi-annual payments of \$6,569 through 2040. Principal retirements during 2022 amounted to \$13,138.

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**6. Debt (Continued)**

During 2020 the Village received an interest free loan from the Ohio Public Works Commission totaling \$201,360 for Second Street Reconstruction. The loan requires semi-annual payments of \$3,872 through 2047. Principal retirements during 2022 amounted to \$7,745.

The Village’s taxing authority collateralized the bonds.

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

	<b>General</b>		
<b>Year ending</b>	<b>Obligation</b>		
<b>December 31:</b>	<b>Bonds</b>	<b>OPWC</b>	<b>OWDA</b>
2023	\$ 150,625	\$ 100,217	\$ 66,830
2024	147,405	96,351	66,830
2025	153,975	92,484	66,830
2026	-	79,984	66,830
2027	-	67,484	66,830
2028-2032	-	307,622	334,148
2033-2037	-	262,922	66,830
2038-2042	-	230,077	-
2043-2047	-	135,026	-
2048	-	7,518	-
Total	\$ 452,005	\$ 1,379,685	\$ 735,128

**7. Defined Benefit Pension Plans**

**A. Ohio Public Employees Retirement System**

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

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

**B. 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 postemployment health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.50 percent of full-time police members’ wages. The Village has paid all contributions required through December 31, 2022.

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**7. Defined Benefit Pension Plans (Continued)**

**C. Social Security**

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

**8. Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**9. Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**9. Postemployment Benefits (Continued)**

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**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. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**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.

**12. Lease Disclosure**

The Village leases equipment under noncancelable leases. The Village disbursed \$90,888 to pay lease costs for the year ended December 31, 2022, which are reported in principal and interest in the special revenue fund type.

**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. 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 \$0 for all funds.

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. These restricted, committed and assigned amounts in the special revenue, debt service and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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

	Governmental Fund Types				Combined Total
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 201,384	\$ 64,750	\$ -	\$ -	\$ 266,134
Municipal Income Tax	1,993,743	-	-	-	1,993,743
Intergovernmental	162,503	1,035,005	-	-	1,197,508
Special Assessments	-	3,245	-	-	3,245
Charges for Services	354,757	100,641	-	-	455,398
Licenses, Permits and Fees	8,754	-	-	-	8,754
Fines and Forfeitures	7,182	1,298	-	-	8,480
Earnings on Investments	3,631	641	-	-	4,272
Miscellaneous	33,989	31,461	-	13,675	79,125
<i>Total Cash Receipts</i>	<u>2,765,943</u>	<u>1,237,041</u>	<u>-</u>	<u>13,675</u>	<u>4,016,659</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	928,491	-	-	-	928,491
Public Health Services	24,129	-	-	-	24,129
Transportation	-	622,497	-	-	622,497
Conservation/Recreation	-	186,939	-	-	186,939
General Government	472,597	541	-	4,028	477,166
Capital Outlay	102,461	921,142	-	76,725	1,100,328
Debt Service:					
Principal Retirement	-	146,485	-	300,000	446,485
Interest and Fiscal Charges	-	6,924	-	8,975	15,899
<i>Total Cash Disbursements</i>	<u>1,527,678</u>	<u>1,884,528</u>	<u>-</u>	<u>389,728</u>	<u>3,801,934</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,238,265</u>	<u>(647,487)</u>	<u>-</u>	<u>(376,053)</u>	<u>214,725</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	5,151	3,175	-	596,000	604,326
Transfers In	-	769,500	-	150,000	919,500
Transfers Out	(919,500)	-	-	-	(919,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(914,349)</u>	<u>772,675</u>	<u>-</u>	<u>746,000</u>	<u>604,326</u>
<i>Net Change in Fund Cash Balances</i>	323,916	125,188	-	369,947	819,051
<i>Fund Cash Balances, January 1</i>	<u>2,689,615</u>	<u>484,515</u>	<u>292</u>	<u>309,630</u>	<u>3,484,052</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,013,531</u>	<u>\$ 609,703</u>	<u>\$ 292</u>	<u>\$ 679,577</u>	<u>\$ 4,303,103</u>

*See accompanying notes to the basic financial statements*

**Village of Coldwater**  
*Mercer County, Ohio*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2021*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 1,452,726
Miscellaneous	16,094
	1,468,820
<i>Total Operating Cash Receipts</i>	<i>1,468,820</i>
<b>Operating Cash Disbursements</b>	
Personal Services	232,901
Employee Fringe Benefits	165,523
Contractual Services	283,645
Supplies and Materials	216,897
Other	189
	899,155
<i>Total Operating Cash Disbursements</i>	<i>899,155</i>
<i>Operating Income (Loss)</i>	<i>569,665</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Sale of Capital Assets	2,325
Capital Outlay	(196,442)
Principal Retirement	(258,283)
Interest and Other Fiscal Charges	(24,141)
	(476,541)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(476,541)</i>
<i>Net Change in Fund Cash Balances</i>	<i>93,124</i>
<i>Fund Cash Balances, January 1</i>	<i>544,735</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 637,859</i>

*See accompanying notes to the basic financial statements*



**Village of Coldwater**  
*Mercer County, Ohio*  
*Combined Statement of Additions, Deductions*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2021*

	Fiduciary Fund Type
	Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$ 9,858
<i>Total Additions</i>	9,858
<b>Deductions</b>	
Distributions to Other Governments	9,858
<i>Total Deductions</i>	9,858
<i>Net Change in Fund Balances</i>	-
<i>Fund Cash Balances, January 1</i>	-
<i>Fund Cash Balances, December 31</i>	\$ -

*See accompanying notes to the basic financial statements*

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Village of Coldwater (the Village), Mercer 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, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department.

The Village participates in a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool: Ohio Plan Risk Management, Inc. (OPRM)

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

**B. Accounting Basis**

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.

**C. Deposits and Investments**

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

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

**D. 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:

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. Summary of Significant Accounting Policies (Continued)**

**1. 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.

**2. 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 receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**Park Operation Fund** – This fund is used to account for the costs associated with the municipal park system within the Village.

**3. 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 significant Debt Service Fund:

**General Obligation Bond Retirement Fund** – This fund is used to account for the accumulation of resources for the payment of general long-term debt principal and interest and related costs.

**4. 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:

**Industrial Development Fund** – This fund is for the purchase, operation and further development of the Village Industrial Park.

**Fire Capital Fund** – This fund was established for the purchase of fire equipment for the volunteer fire department.

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. Summary of Significant Accounting Policies (Continued)**

**5. 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 receives charges for services from residents to cover water service costs.

**Sewer Fund** - This fund receives charges for services from residents to cover sewer service costs.

**Storm Sewer Improvement Fund** – This fund receives charges for services from residents to cover the costs of updating the storm sewer.

**6. 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 accounts for the collection and distribution of Mayor’s Court fines, fees and bonds.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 3.

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. Summary of Significant Accounting Policies (Continued)**

**F. 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:

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

**2. 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.

**3. 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.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**G. Property, Plant, and Equipment**

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

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. Summary of Significant Accounting Policies (Continued)**

**H. Accumulated Leave**

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

**I. 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

**2. Equity in Pooled Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	<u>2021</u>
Demand deposits	\$ 829,982
Other time deposits (savings and NOW accounts)	<u>3,261</u>
Total deposits	<u>833,243</u>
STAR Ohio	<u>4,107,719</u>
Total investments	<u>4,107,719</u>
Total deposits and investments	<u>\$ 4,940,962</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

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

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**3. Budgetary Activity**

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,590,121	\$ 2,771,094	\$ 180,973
Special Revenue	2,049,681	2,009,716	(39,965)
Debt Service	-	-	-
Capital Projects	463,600	759,675	296,075
Enterprise	1,421,200	1,471,145	49,945
Fiduciary	9,900	9,858	(42)
Total	\$ 6,534,502	\$ 7,021,488	\$ 486,986

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,532,525	\$ 2,447,178	\$ 85,347
Special Revenue	1,940,501	1,884,528	55,973
Debt Service	-	-	-
Capital Projects	390,300	389,728	572
Enterprise	1,448,100	1,378,021	70,079
Fiduciary	9,900	9,858	42
Total	\$ 6,321,326	\$ 6,109,313	\$ 212,013

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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

**5. Local Income Tax**

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**6. Debt**

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works-Northwest Sanitary Sewer	\$ 19,333	0.00%
Ohio Public Works-Water Treatment Plant	\$ 112,500	0.00%
Ohio Public Works-Mill Street	\$ 134,100	0.00%
Ohio Public Works-Sanitary Sewer	\$ 375,000	0.00%
OWDA Water/Sewer Expansion	\$ 753,933	1.00%
Various Purpose Refunding Bond 2015	\$ 565,000	1.00-2.65%
Ohio Public Works-Sanitary Sewer Overflow	\$ 398,430	0.00%
Ohio Public Works-2019 Street	\$ 243,053	0.00%
Ohio Public Works-Second Street Reconstruction	\$ 197,488	0.00%
Peoples Bank Note-Farm Ground	\$ -	3.00%
Total	<u>\$ 2,798,837</u>	

During 2003 the Village received an interest free loan from the Ohio Public Works Commission totaling \$154,660 for the Northwest Sanitary Sewer trunk project. The loan requires semi-annual payments of \$3,867 through 2024. Principal retirements during 2021 amounted to \$7,733.

During 2005 the Village received an interest free loan from the Ohio Public Works Commission totaling \$500,000 for the replacement of the water treatment plant. The loan requires semi-annual payments of \$12,500, through 2026. Principal retirements during 2021 amounted to \$25,000.

During 2009 the Village received an interest free loan from the Ohio Public Works Commission totaling \$298,000 for the Mill Street Project. The loan requires semi-annual payments of \$7,450 through 2030. Principal retirements during 2021 amounted to \$14,900.

During 2013, the Village received an interest free loan from the Ohio Public Works Commission totaling \$500,000 for the sanitary sewer repair project. The loan requires semi-annual payments of \$8,333 through 2044. Principal retirement during 2021 amounted to \$16,666.

During 2013 the Village received a 1% loan from the Ohio Water Development Authority totaling \$1,208,687 for a Sanitary Sewer Lining Project. The loan requires semi-annual payments of \$33,415 through 2034. Principal and interest payments during 2021 amounted to \$66,830.

During 2014 the Village received a loan for \$529,000 from the Peoples Bank Company. This issuance is intended to be used for the purchase of farm ground. The note was repaid during 2021 for \$300,000 at 3% interest.

During 2015 the Village issued \$1,345,000 Various Purpose Refunding Bonds Series 2015. This bond refinanced the \$2,400,000 Various Purpose Bond from 2005. Principal retirements during 2021 amounted to \$135,000.



**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**6. Debt (Continued)**

During 2017 the Village received an interest free loan from the Ohio Public Works Commission totaling \$451,052 for Sanitary Sewer Overflow corrections. The loan requires semi-annual payments of \$7,518 through 2048. Principal retirements during 2021 amounted to \$15,035.

During 2019 the Village received an interest free loan from the Ohio Public Works Commission totaling \$262,760 for various street repairs. The loan requires semi-annual payments of \$6,569 through 2040. Principal retirements during 2021 amounted to \$13,138.

During 2020 the Village received an interest free loan from the Ohio Public Works Commission totaling \$201,360 for Second Street Reconstruction. The loan requires semi-annual payments of \$3,872 through 2047. Principal retirements during 2021 amounted to \$3,872.

The Village's taxing authority collateralized the bonds.

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

Year ending December 31:	<b>General Obligation Bonds</b>	<b>OPWC</b>	<b>OWDA</b>
2022	\$ 148,460	\$ 100,217	\$ 66,830
2023	150,625	100,217	66,830
2024	147,405	96,351	66,830
2025	153,975	92,484	66,830
2026	-	79,984	66,830
2027-2031	-	322,522	334,148
2032-2036	-	262,922	133,659
2037-2041	-	243,215	-
2042-2046	-	155,565	-
2047-2048	-	26,425	-
Total	\$ 600,465	\$ 1,479,902	\$ 801,957

**7. Defined Benefit Pension Plans**

**A. Ohio Public Employees Retirement System**

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

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

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**7. Defined Benefit Pension Plans (Continued)**

**B. 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 postemployment health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.50 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2021.

**C. Social Security**

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

**8. Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**9. Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**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. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**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.

**12. Lease Disclosure**

The Village leases equipment under noncancelable leases. The Village disbursed \$121,499 to pay lease costs for the year ended December 31, 2021, which are reported in principal and interest in the special revenue fund type.

**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. 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 \$0 for all funds.

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. These restricted, committed and assigned amounts in the special revenue, debt service and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance With  
*Government Auditing Standards***

Village of Coldwater  
Mercer County  
610 West Sycamore Street  
Coldwater, Ohio 45828

To the Members of Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total of the Village of Coldwater, Mercer County, Ohio, as of and for the years ended December 31, 2022, and 2021 and the related notes to the financial statements and have issued our report thereon dated September 26, 2023, wherein we noted as described in Note 1 to the financial statements, the Village of Coldwater followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Coldwater's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Coldwater's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Coldwater'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 Village of Coldwater'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Coldwater'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Coldwater

Mercer County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Coldwater'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 of Coldwater's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

September 26, 2023

**VILLAGE OF COLDWATER  
MERCER COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2022 and 2021**

<b><u>Finding Number</u></b>	<b><u>Year Initially Occurred</u></b>	<b><u>Finding Summary</u></b>	<b><u>Status</u></b>	<b><u>Additional Information</u></b>
2020-001	2019	<u>Significant Deficiency - Financial Statement Misstatements</u> - Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. An adjustment was made to the financial statements and notes to the financial statements to properly state financial statement amounts.	Corrected	N/A

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF COLDWATER**

**MERCER COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 12/5/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

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