



**VILLAGE OF COOLVILLE
ATHENS COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2019 - 2018**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

749 Wheeling Ave., #300
Cambridge, OH 43725
740 435 3417

www.perrycpas.com

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPARreport@ohioauditor.gov
(800) 282-0370

Village Council
Village of Coolville
PO Box 64
Coolville, OH 45723

We have reviewed the *Independent Auditor's Report* of the Village of Coolville, Athens County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

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 Coolville is responsible for compliance with these laws and regulations.

The Auditor of State is currently conducting an investigation at the Village. The investigation is ongoing and control or compliance issues, if any, related to this investigation will be addressed in future audit reports.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

May 18, 2021

This page intentionally left blank.

VILLAGE OF COOLVILLE
ATHENS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2019	4
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2019	5
Notes to the Financial Statements 2019	6
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2018	13
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2018	14
Notes to the Financial Statements 2018	15
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	22
Schedule of Audit Findings	24
Schedule of Prior Audit Findings	33

This page intentionally left blank.



313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

INDEPENDENT AUDITOR'S REPORT

March 2, 2021

Village of Coolville
Athens County
PO Box 64
Coolville, Ohio 45723

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Village of Coolville**, Athens County, (the Village) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.



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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village 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(D) permit. Our opinion on this accounting basis is in the *Qualification of Opinion on the General Fund Fines, Licenses and Permits on the Regulatory Basis of Accounting* and *Unmodified Opinions* paragraphs below.

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* paragraph, the 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 as of December 31, 2019 and 2018, and the respective changes in financial position or cash flows thereof for the years then ended.

Basis for Disclaimer of Opinion on Fiduciary Fund Receipts on the Regulatory Basis of Accounting

Fines, licenses and permit receipts are reported at \$7,554 and \$25,160 for the years ended December 31, 2019 and 2018, respectively, which is 100% of Fiduciary Fund receipts for the years ended December 31, 2019 and 2018. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as fines, licenses and permits.

Disclaimer of Opinion on Fiduciary Fund Receipts on the Regulatory Basis of Accounting

Because of the significance of fines, licenses and permits receipts to the Fiduciary Fund Type, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the Fiduciary Fund Type of the Village of Coolville, Athens County, Ohio, for the years ended December 31, 2019 and 2018.

Basis of Qualification of Opinion on General Fund Fines, Licenses and Permits on the Regulatory Basis of Accounting

Fines, licenses and permits are reported at \$10,587 and \$20,590 for the years ended December 31, 2019 and 2018, respectively, which is 18% and 32% of total General Fund operating receipts for the years ended December 31, 2019 and 2018, respectively. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as fines, licenses and permits. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualification of Opinion on the General Fund Fines, Licenses and Permits on the Regulatory Basis of Accounting

Also, in our opinion, except for such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient competent evidential matter to support the 2019 and 2018 fines, licenses and permits receipts in the General Fund, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements of the General Fund, and related notes of the Village of Coolville, Athens County, Ohio, as of December 31, 2019 and 2018, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Unmodified Opinions

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Special Revenue Funds, Capital Projects Fund and Enterprise Funds, of the Village of Coolville, Athens County, Ohio, as of December 31, 2019 and 2018, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 17,698	\$ 6,811	\$ -	\$ 24,509
Intergovernmental	16,487	26,251	-	42,738
Special Assessments	-	9,518	-	9,518
Fines, Licenses and Permits	10,587	269	-	10,856
Earnings on Investments	314	48	-	362
Miscellaneous	12,294	-	-	12,294
<i>Total Cash Receipts</i>	<u>57,380</u>	<u>42,897</u>	<u>-</u>	<u>100,277</u>
Cash Disbursements				
Current:				
Security of Persons and Property	25,546	1,813	-	27,359
Basic Utility Services	-	9,820	-	9,820
Transportation	-	18,619	-	18,619
General Government	28,948	398	-	29,346
Capital Outlay	1,205	-	-	1,205
<i>Total Cash Disbursements</i>	<u>55,699</u>	<u>30,650</u>	<u>-</u>	<u>86,349</u>
<i>Net Change in Fund Cash Balances</i>	1,681	12,247	-	13,928
<i>Fund Cash Balances, January 1</i>	<u>4,725</u>	<u>15,253</u>	<u>26</u>	<u>20,004</u>
Fund Cash Balances, December 31				
Restricted	-	27,500	-	27,500
Assigned	6,406	-	26	6,432
<i>Fund Cash Balances, December 31</i>	<u>\$ 6,406</u>	<u>\$ 27,500</u>	<u>\$ 26</u>	<u>\$ 33,932</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 379,073	\$ -	\$ 379,073
Fines, Licenses and Permits	-	7,554	7,554
<i>Total Operating Cash Receipts</i>	<u>379,073</u>	<u>7,554</u>	<u>386,627</u>
Operating Cash Disbursements			
Personal Services	22,366	-	22,366
Employee Fringe Benefits	997	-	997
Contractual Services	39,341	-	39,341
Supplies and Materials	105,386	-	105,386
Other	-	6,189	6,189
<i>Total Operating Cash Disbursements</i>	<u>168,090</u>	<u>6,189</u>	<u>174,279</u>
<i>Operating Income (Loss)</i>	<u>210,983</u>	<u>1,365</u>	<u>212,348</u>
Non-Operating Receipts (Disbursements)			
Special Assessments	2,541	-	2,541
Capital Outlay	(400)	-	(400)
Principal Retirement	(160,519)	-	(160,519)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(158,378)</u>	<u>-</u>	<u>(158,378)</u>
<i>Net Change in Fund Cash Balances</i>	52,605	1,365	53,970
<i>Fund Cash Balances, January 1</i>	<u>17,359</u>	<u>277</u>	<u>17,636</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 69,964</u>	<u>\$ 1,642</u>	<u>\$ 71,606</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1 – Reporting Entity

The Village of Coolville, Athens County, (the Village) 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, street construction, repair and maintenance, street lighting and police services. The Village via Troy Township is covered by Coolville Volunteer Fire Department to receive fire protection services.

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

Street Levy Fund – The Village passed a Street Levy to receive property tax money for constructing, maintaining, and repairing Village streets.

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 Fund:

Cruiser Repair/Replacement Fund – The Cruiser Repair/Replacement Fund receives a portion of the Mayor's Court fines to fund the repair and replacement of the police cruiser.

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:

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 2 – Summary of Significant Accounting Policies (Continued)

Water Fund – The Water Fund receives charges for services from residents to cover water service costs.

Sewer Fund – The Sewer Fund receives loan and grant proceeds from the Ohio Water Development Authority to finance the engineering, planning, and building of a sanitary sewer system in the Village. This fund also receives charges for services from residents to cover sewer service costs.

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. The Village has no Trust Funds.

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 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(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village 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(D) permit.

Budgetary Process

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

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

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

Encumbrances – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 3.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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 leaving employment, employees are entitled to cash payments for unused 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:

Nonspendable – The Village classifies assets as *nonspendable* 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.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 95,075	\$ 57,380	\$ (37,695)
Special Revenue	56,500	42,897	(13,603)
Capital Projects	500	-	(500)
Enterprise	416,500	381,614	(34,886)
Total	\$ 568,575	\$ 481,891	(86,684)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 98,204	\$ 55,699	\$ 42,505
Special Revenue	69,836	30,650	39,186
Capital Projects	526	-	526
Enterprise	433,859	329,009	104,850
Total	\$ 602,425	\$ 415,358	\$ 187,067

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:

	2019
Demand Deposits	\$ 78,622
Certificates of Deposit	26,916
Total Deposits	\$ 105,538

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Note 5 - Taxes

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

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

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 6 – Outstanding Interfund Balances/Advances

Unpaid interfund cash advances at December 31, 2019 were as follows:

Fund	Receivable	Payable
General	\$ 6,000	\$ -
Street Lighting	-	1,000
Street Levy	1,000	-
Water Operating	-	6,000
	\$ 7,000	\$ 7,000

Note 7 – Risk Management

Workers' compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

Note 8 – 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 plans. 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, 2019.

Social Security

Several of the Village's 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, 2019.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9 – Postemployment Benefits

OPERS offers 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 members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

Note 10 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 2,677,212	0.00%

The Ohio Water Development Authority (OWDA) Loan relates to the installation of a sewer plant mandated by the Ohio Environmental Protection Agency. The OWDA approved up to \$6,106,675 in interest-free loans to the Village for this project. The Village will repay the loan in semi-annual installments over 20 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Amortization

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

Year Ending December 31:	OWDA Loan
2020	\$ 169,621
2021	169,621
2022	169,621
2023	169,621
2024	169,621
2025-2029	848,107
2030-2034	848,106
2035-2036	132,894
Total	\$ 2,677,212

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. 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.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12 – Subsequent Events

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

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 16,350	\$ 6,017	\$ -	\$ 22,367
Intergovernmental	16,412	39,161	-	55,573
Special Assessments	-	9,383	-	9,383
Charges for Services	47	-	-	47
Fines, Licenses and Permits	20,590	3,171	-	23,761
Earnings on Investments	404	72	-	476
Miscellaneous	10,200	-	-	10,200
<i>Total Cash Receipts</i>	<u>64,003</u>	<u>57,804</u>	<u>-</u>	<u>121,807</u>
Cash Disbursements				
Current:				
Security of Persons and Property	28,105	815	-	28,920
Basic Utility Services	-	10,102	-	10,102
Transportation	-	45,107	-	45,107
General Government	32,376	261	-	32,637
Capital Outlay	354	-	-	354
<i>Total Cash Disbursements</i>	<u>60,835</u>	<u>56,285</u>	<u>-</u>	<u>117,120</u>
<i>Net Change in Fund Cash Balances</i>	3,168	1,519	-	4,687
<i>Fund Cash Balances, January 1</i>	<u>1,557</u>	<u>13,734</u>	<u>26</u>	<u>15,317</u>
Fund Cash Balances, December 31				
Restricted	-	15,253	-	15,253
Assigned	4,725	-	26	4,751
<i>Fund Cash Balances, December 31</i>	<u>\$ 4,725</u>	<u>\$ 15,253</u>	<u>\$ 26</u>	<u>\$ 20,004</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 243,894	\$ -	\$ 243,894
Fines, Licenses and Permits	-	25,160	25,160
<i>Total Operating Cash Receipts</i>	<u>243,894</u>	<u>25,160</u>	<u>269,054</u>
Operating Cash Disbursements			
Personal Services	27,813	-	27,813
Employee Fringe Benefits	1,537	-	1,537
Contractual Services	47,745	-	47,745
Supplies and Materials	95,868	-	95,868
Other	-	26,419	26,419
<i>Total Operating Cash Disbursements</i>	<u>172,963</u>	<u>26,419</u>	<u>199,382</u>
<i>Operating Income (Loss)</i>	<u>70,931</u>	<u>(1,259)</u>	<u>69,672</u>
Non-Operating Receipts (Disbursements)			
Special Assessments	2,765	-	2,765
Capital Outlay	(500)	-	(500)
Principal Retirement	(169,622)	-	(169,622)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(167,357)</u>	<u>-</u>	<u>(167,357)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(96,426)</u>	<u>(1,259)</u>	<u>(97,685)</u>
<i>Fund Cash Balances, January 1</i>	<u>113,785</u>	<u>1,536</u>	<u>115,321</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 17,359</u>	<u>\$ 277</u>	<u>\$ 17,636</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1 – Reporting Entity

The Village of Coolville, Athens County, (the Village) 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, street construction, repair and maintenance, street lighting and police services. The Village via Troy Township is covered by Coolville Volunteer Fire Department to receive fire protection services.

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

Street Levy Fund – The Village passed a Street Levy to receive property tax money for constructing, maintaining, and repairing Village streets.

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 Fund:

Cruiser Repair/Replacement Fund – The Cruiser Repair/Replacement Fund receives a portion of the Mayor's Court fines to fund the repair and replacement of the police cruiser.

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:

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 2 – Summary of Significant Accounting Policies (Continued)

Water Fund – The Water Fund receives charges for services from residents to cover water service costs.

Sewer Fund – The Sewer Fund receives loan and grant proceeds from the Ohio Water Development Authority to finance the engineering, planning, and building of a sanitary sewer system in the Village. This fund also receives charges for services from residents to cover sewer service costs.

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. The Village has no Trust Funds.

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 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(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village 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(D) permit.

Budgetary Process

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

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

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

Encumbrances – The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 3.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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 leaving employment, employees are entitled to cash payments for unused 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:

Nonspendable – The Village classifies assets as *nonspendable* 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.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 108,075	\$ 64,003	\$ (44,072)
Special Revenue	72,600	57,804	(14,796)
Capital Projects	500	-	(500)
Enterprise	375,500	246,659	(128,841)
Total	\$ 556,675	\$ 368,466	(188,209)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 109,632	\$ 60,892	\$ 48,740
Special Revenue	85,974	56,318	29,656
Capital Projects	526	-	526
Enterprise	477,152	343,085	134,067
Total	\$ 673,284	\$ 460,295	\$ 212,989

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:

	2018
Demand Deposits	\$ 10,986
Certificates of Deposit	26,654
Total Deposits	\$ 37,640

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Note 5 - Taxes

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

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

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 6 – Outstanding Interfund Balances/Advances

Unpaid interfund cash advances at December 31, 2018 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 6,000	\$ -
Street Lighting	-	1,000
Street Levy	1,000	-
Water Operating	-	6,000
	<u>\$ 7,000</u>	<u>\$ 7,000</u>

Note 7 – Risk Management

Workers' compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

Note 8 – 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 plans. 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, 2018.

Social Security

Several of the Village's 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, 2018.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9 – Postemployment Benefits

OPERS offers 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 members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018.

Note 10 – Debt

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 2,837,732	0.00%

The Ohio Water Development Authority (OWDA) Loan relates to the installation of a sewer plant mandated by the Ohio Environmental Protection Agency. The OWDA approved up to \$6,106,675 in interest-free loans to the Village for this project. The Village will repay the loan in semi-annual installments over 20 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Amortization

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

Year Ending December 31:	OWDA Loan
2019	\$ 169,621
2020	169,621
2021	169,621
2022	169,621
2023	169,621
2024-2028	848,107
2029-2033	848,106
2034-2036	293,414
Total	\$ 2,837,732

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. 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.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 12 – Subsequent Events

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

Note 13 – Restatement of Beginning Fund Balances

Beginning fund balance at January 1, 2018 was restated for the Village's General Fund to post certificate of deposit interest earned but not posted prior to 2018.

	<u>General Fund</u>
Ending Fund Balance, December 21, 2017	\$ 234
Restatement	<u>1,323</u>
Beginning Fund Balance, January 1, 2018, Restated	<u><u>\$ 1,557</u></u>

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

March 2, 2021

Village of Coolville
Athens County
PO Box 64
Coolville, Ohio 45723

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the **Village of Coolville**, Athens County, (the Village) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated March 2, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not express an opinion on the Fiduciary Fund Type. We also qualified our opinion due to the lack of sufficient appropriate audit evidence supporting the amounts recorded as charges for services receipts in the General Fund for the years ended December 31, 2019 and 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of audit findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

Internal Control Over Financial Reporting (Continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. We consider findings 2019-001 through 2019-005 described in the accompanying schedule of audit findings to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2019-006 and 2019-007 described in the accompanying schedule of audit findings to be significant deficiencies.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of audit findings as items 2019-002 through 2019-006 and 2019-008 through 2019-011.

The Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not subject the Village's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- State liquor receipt was recorded in the Street Construction, Maintenance and Repair Fund instead of the General Fund in 2018.
- Rental income was recorded as Charges for Services instead of Miscellaneous in the General Fund in 2018 and 2019.
- Rollback receipts were recorded as Property and Other Local Taxes instead of Intergovernmental in the General Fund in 2018 and 2019.
- Subsequent appropriations were classified as Unassigned instead of Assigned in the General Fund in 2018 and 2019.
- The Village did not record interest earned on its certificate of deposit during 2018 or 2019.
- Gas excise and license tax receipts were not allocated between the Street Construction, Maintenance and Repair and State Highway Funds in 2018 and 2019.
- Permissive motor vehicle license tax receipts were recorded in the State Highway Fund instead of the Permissive Motor Vehicle License Tax Fund in 2018 and 2019.
- The Cruiser Capital Projects Fund balance was classified as Restricted instead of Assigned in 2018.
- During 2019 and 2018, the Village did not record activity in the police LETF account as referenced in Finding 2019-003.
- Mayor's Court Agency Fund activity was not posted to the accounting system in 2018 or 2019.

Not posting receipts, disbursements and fund balances accurately resulted in the financial statements requiring several reclassifications and adjustments. The financial statements reflect all reclassifications and adjustments and the Village has posted all adjustments to its accounting system.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Officials' Response – Will post the above listed items.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-002

Material Weakness/Noncompliance

Ohio Revised Code Section 1905.21 provides that the mayor of a municipal corporation and a mayor's court magistrate shall keep a docket. The mayor or mayor's court magistrate shall account for and dispose of all such fines, forfeitures, fees and costs collected.

Further, **Ohio Administrative Code Section 117-2-02** provides that all local public offices shall maintain an accounting system and accounting records sufficient to enable a 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 required by rule 117-2-03 of the Administrative Code. The management of each local public office is responsible for the assertions underlying the information in the public office's financial statements including "completeness" – the assertion that all transactions and events that should have been recorded have been recorded.

- The Village Mayor's Court Clerk did not maintain a docket for 2019 or 2018.
- No employee or official at the Village monitored pre-numbered tickets such that a reconciliation of tickets issued to tickets recorded or voided was completed. The Village could not account for all tickets issued during the audit period.
- Court receipts recorded in the Mayor's Court accounting system did not reconcile to the bank statements or duplicate receipts.
- Pre-numbered duplicate receipts were issued for certain receipts but not consistently.
- The Village Mayor's Court Clerk did not maintain a cashbook for 5 months of 2019 and 7 months of 2018. This resulted in an inability to determine proper allocations of all receipts.
- Mayor's Court deposits made to the bank were not reviewed and reconciled to ensure all money received was deposited.

The lack of documentation and sufficient controls could result in a misappropriation of funds without timely detection. Further, we were unable to satisfy ourselves as to the completeness of Fines, Licenses and Permits receipts recorded in the General Fund in 2019 and 2018 and Fines, Licenses and Permits in the Fiduciary Fund Type in 2019 and 2018. We have modified the opinion in the Independent Auditor's Report accordingly. These receipts represent 18% and 32% of receipts of the General Fund for the years ended December 31, 2019 and 2018, respectively, and 100% of receipts of the Fiduciary Fund Type for the years ended December 31, 2019 and 2018.

The Mayor should ensure a complete docket is maintained for all cases handled by the court and that the Mayor's Court accounting system includes all transactions so that case files are accurately updated. Proper control should be maintained over issued and unissued tickets by the Police Chief or Mayor by ensuring:

- Unissued ticket books are stored in a secure location.
- Tickets are issued in sequential order.
- All tickets are accounted for before the next block is issued.
- Any discrepancies are investigated promptly.
- A periodic (perhaps yearly) inventory is taken to determine the status of the issued tickets.
- All parts of a voided ticket are retained and stored in sequence with the other tickets.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-002 (Continued)

The Mayor's Court Clerk should maintain a cashbook to show the allocation of funds collected between State, Village, and other portions to allow for proper distribution. Disbursements from Mayor's Court accounts should relate only to the disbursement of these allocations of fines. As a matter of internal control, different individuals should be responsible for collection, deposit, recording and review of cash collection. When duties cannot be segregated, it is vital for management to provide substantive oversight to ensure the appropriateness of all transactions. Further, all activity should be reconciled to the bank statements monthly to serve as an integral control point and demonstrate timely remittance.

Officials' Response: The previous Mayor's Court Clerk has been fired and the new Clerk is now maintaining this.

FINDING NUMBER 2019-003

Material Weakness/Noncompliance

Ohio Revised Code Section 2981.13(B) provides, in part, proceeds from the sale of contraband and forfeited property shall be disposed of in the following order:

1. To the payment of the costs incurred in the forfeiture proceedings.
2. To satisfy any restitution orders to the victim of the offense or satisfy any recovery ordered for the person harmed.
3. To the payment of the balance due on any security interest preserved under this chapter.
4. Apply the remaining amounts as follows.

If the forfeiture was ordered in a court other than a juvenile court, one hundred percent to the law enforcement fund of the municipal corporation.

In addition, Section (C)(1) provides in part, a law enforcement fund shall be established by the legislative authority of each municipal corporation.

The Guide to Equitable Sharing for State and Local Law Enforcement Agencies, issued by the U.S. Department of Justice Criminal Division Asset Forfeiture and Money Laundering Section provides in Section IX all participating state and local law enforcement agencies must implement standard accounting procedures and internal controls (e.g. tracking share requests and receipts, electronically depositing shares into a separate revenue account or accounting code) to track equitably shared monies and tangible property. Those procedures must be consistent with those set forth below:

The state of local participating law enforcement agency must:

1. Establish a separate revenue account or accounting code through the agency's finance department for the proceeds for the Department of Justice Equitable Sharing Program. This account or the accounting code will be used solely for funds from the Department of Justice Sharing Program. No other funds may be included in this account or with this accounting code.
2. Establish an internal procedure to recommend expenditures from the revenue account. In many small agencies, the chief of police determines the purpose for which the funds are used. The agency head must authorize all expenditures from the federal sharing revenue account.
3. Use tangible property placed into official use for a law enforcement purpose for at least two years following transfer. After two years, the property may be sold for the benefit of the law enforcement agency. All proceeds from the sale of such property must be deposited into the agency's equitable sharing account.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-003 (Continued)

4. Obtain approval for expenditures from the governing body, such as the town council.
5. Upon final approval, issue contracts or purchase orders to formally disburse deposited assets for goods or services. Deduct purchase orders and contracts from the account balance.
6. Maintain a record of all expenditures from the revenue account or accounting code. These expenditures must be in accordance with this Guide.

Ohio Revised Code Section 9.38 requires a person who is a public official other than a state officer, employee or agent shall deposit all public monies 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 monies received exceeds one thousand dollars. If the total amount of the public monies received does not exceed one thousand dollars, the person shall deposit the monies 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 monies until such time as the monies are deposited. The policy shall include provisions and procedures to safeguard the public monies until they are deposited. If the public office of which the person is a public official is governed by a legislative authority, only the legislative authority may adopt such a policy.

The police department maintains a bank account for federal and state drug fine monies which are not under the control of the Fiscal Officer including receipts and disbursements from these bank accounts. In addition, this money and activity in this account is not recorded on the financial statements of the Village. As of December 31, 2018, the book balance of this account was \$1,976. Receipts for the year totaled \$2,791 and the expenditures were \$815. As of December 31, 2019, the book balance of these accounts is \$163. Receipts for the year totaled \$0 and expenditures were \$1,813. This could allow for material financial activity under the control of the office of the Village to be unaccounted for and errors and irregularities to not be detected by management in a timely manner.

We recommend the Village record the cash account currently maintained by the police department as well as all receipts and expenditures relating to that account in the Village's financial ledgers. The bank accounts should be placed under the control of the Fiscal Officer in accordance with the requirements noted above. The financial statements and Village's records have been adjusted.

Officials' Response: The previous Mayor's Court Clerk has been fired and the new Mayor's Court Clerk and the Fiscal Officer are working together to maintain and report this.

FINDING NUMBER 2019-004

Material Weakness/Noncompliance

Ohio Administrative Code Section 117-2-01(D)(4) provides that, when designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

FINDING NUMBER 2019-004 (Continued)

The size of the Village's staff did not allow for an adequate segregation of duties; the Fiscal Officer performed all accounting functions, including receipting, depositing, disbursing, and reconciling. It is, therefore, important that the Council monitor financial activity closely. During 2019 and 2018, Council review of financial information was limited. The Council approved a list of expenditures prepared by the Fiscal Officer monthly. There was, however, no consistent Council signature present on reports or approval documented in the minute record to evidence Council review of budget to actual, or merely financial, information except for the list of expenditures. Further, the Fiscal Officer prepared bank reconciliations each month; no evidence was provided indicating review or approval by Council.

The insufficiency of financial information provided to the Council hampers the Council's ability to effectively monitor the financial activity and position of the Village. The lack of controls over expenditures and financial reporting adversely affected the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

The Fiscal Officer should provide budget-to-actual information to the Council monthly in sufficient detail to allow for meaningful review. Further, Council should review bank reconciliations on a monthly basis to ensure proper reconciliation and absence of unexplained/unsupported other adjustments. This review should be documented in the minute record and/or the reviewed report initialed and dated to evidence review. Further, Council should make appropriate inquiries to help determine the continued integrity of financial information. This information also provides important data necessary to manage the Village.

Officials' Response: Council members will sign a report list of the reports supplied to them for review.

FINDING NUMBER 2019-005

Material Weakness/Noncompliance

Ohio Administrative Code Section 117-2-01(D)(3) and (5) provide that, when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

During the audit period, the Village Fiscal Officer did not post Mayor's Court activity to the accounting system. However, the reconciliations performed and on file compared to the accounting system to bank balances. As such, the reconciliations were ineffective. In addition, monthly reconciliations of Mayor's Court revenue received in the court system was not reconciled to the accounting system. The failure to perform complete and timely reconciliations prevented timely and effective review by the Village Council which would otherwise help compensate for the lack of segregation of duties.

The Fiscal Officer should post all activity to the accounting system so that reconciliations are representative of all activity. Further, the Fiscal Officer should prepare complete monthly bank reconciliations in a timely manner so that reconciling items can be easily identified and corrections, if necessary, can be made in a timely manner. These reconciliations should be reviewed and approved by the Village Council at monthly meetings and questioned if unidentified reconciling items are included.

Officials' Response: The Fiscal Officer will set it up to report this in the UAN system.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-006

Significant Deficiency/Noncompliance

Ohio Revised Code Sections 2743.70 and 2949.091 require the court in which any person is convicted of or pleads guilty to any offense other than a traffic offense which is not a moving violation to impose and collect additional fines to be used for the state's reparations fund. The court may not waive the payment of this additional cost unless the court determines that the offender is indigent and waives the payment of all court costs imposed upon the indigent offender.

Further, the Village Council approved a fine/fee schedule which was filed with the Athens County Municipal Court in December 2000.

The Mayor's Court Clerk did not properly maintain a cash book for the entire year or any other documentation which would show the proper allocation of fines/fees collected. Therefore, we were unable to determine the proper allocation of some receipts posted in 2019 and 2018. Rates charged did not agree to the formally approved fine schedule for 40% of receipts tested in 2019 and 42% of receipts tested in 2018.

The Mayor's Court Clerk should maintain a cash book and document allocation or receipts. Additionally, the Clerk should assure rates are charged in accordance with the approved fine/fee schedule.

Officials' Response: The previous Mayor's Court Clerk has been fired and the new Clerk is performing this now.

FINDING NUMBER 2019-007

Significant Deficiency

Noncash Adjustments

The Village does not have a policy in place for noncash adjustments. The Water Clerk adjusts the customer's account. However, we note no documentation supporting the approval to adjust the accounts is maintained.

Noncash adjustments should never be approved by the person or persons posting, depositing and recording receipts, both directly to the utility accounts or to the financial system. Failure to appropriately identify and appropriately approve adjustments can be a fraud risk factor and lead to irregularities in accounts or a loss of revenue for the Village.

The Village should approve an official policy for documenting approvals for adjustments to utility accounts. Further, the Village should ensure all approvals of adjustments are properly documented and maintained.

Officials' Response: The Village has an adjustment policy but was not followed by the previous Utilities Clerk has been fired for not following policy. Adjustments are now being approved as per Council Policy.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-008

Noncompliance

Ohio Revised Code Section 705.20 provides, in part, that no warrant for the payment of any claim shall be issued until such claim is approved by the executive power for which the indebtedness was incurred. Whenever any claim is presented, the Fiscal Officer may require evidence that the amount claimed is justly due and is in conformity to law and ordinance.

Most governmental entities have the authority to provide credit cards and purchasing cards for use by authorized employees. The use of these items should be specified in a policy the Village Council adopts. The policy should, at a minimum, identify authorized users, guidelines for allowable use/purchases, method of reimbursement (if personal use is allowed), specific unallowable uses, reporting, monitoring of use by appropriate levels of management, and other guidelines the Village Council deems appropriate.

The Village possessed two debit cards (one held by the Street and Water Maintenance Department and one held by the Police Department) tied to the Village's main checking account and a credit card to Staples during 2019 and 2018. The Village Council approved no credit/debit card policy to govern the use of these items. The Fiscal Officer informally monitored the transactions without documenting this review. Debit cards were responsible for \$277 and \$5,483 in expenditure transactions in 2019 and 2018, respectively. The Fiscal Officer maintained payment vouchers printed from the Uniform Accounting Network (UAN), but neither the Fiscal Officer, Council Members, nor Mayor signed them indicating approval. The Village Council maintained no listing of who held the debit cards.

Failure to have properly documented controls and documented approval over transactions as well as a Village Council approved policy governing use can lead to unallowable expenditures. Further, the Ohio Revised Code does not specifically allow for the use of a debit card as this provides an unnecessary risk and unauthorized access to the finances of the Village.

The Village should terminate its debit cards and replace with a more limited purchasing or credit card. Further, the Village Council should approve a formal policy covering its purchasing/credit cards identifying, at a minimum, authorized users, guidelines for allowable use/purchases, method of reimbursement (if personal use if allowed), specific unallowable uses, reporting, monitoring of use by appropriate levels of management, and other guidelines the Village Council deems appropriate.

Officials' Response: The Village no longer has debit or credit cards.

FINDING NUMBER 2019-009

Noncompliance

Ohio Revised Code Section 733.40 provides that all fines, forfeitures, and costs in ordinance cases and all fees that are collected by the mayor, that in any manner come into the mayor's hands, or that are due to the mayor, and all money received by the mayor for the use of the municipal corporation shall be paid by the mayor into the treasury of the municipal corporation on the first Monday of each month. At the first regular meeting of the legislative authority each month, the mayor shall submit a full statement of all money received, from who and for what purposes received, and when paid into the treasury.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-009 (Continued)

During 2019 and 2018, the Mayor did not remit monies collected to the Village by the first Monday of each month. Further, a full statement of all money received, the payer and for what purposes received, and when paid into the treasury was not provided monthly.

The Mayor should distribute fines collected by Mayor's Court to the Village's General Fund by the first Monday of the following month and provide the required reports at that time.

Officials' Response: The previous Mayor's Court Clerk has been fired and the new Clerk is performing this.

FINDING NUMBER 2019-010

Noncompliance

Ohio Revised Code Section 735.28 provides, in part, that, in each village in which a water works, electric light plant, artificial or natural gas plant, or other similar public utility is situated, or when the legislative authority thereof orders a water works, electric light plant, natural or artificial gas plant, or other similar public utility to be constructed, or to be leased or purchased from any individual, company, or corporation, or when such legislative authority determines to establish a schedule of rates or charges of rents for use of the sewerage system and sewage pumping, treatment, and disposal works of the village, such legislative authority shall establish a board of trustees of public affairs, which shall consist of three members who are residents of the Village.

Additionally, **Ohio Revised Code Section 735.272** provides that, upon the establishment of the position of village administrator, the person's appointment by the mayor and confirmation by the legislative authority of the village, as provided by Ohio Revised Code Section 735.271, the board of trustees of public affairs, if such a board has been created in accordance with Ohio Revised Code Section 735.28, shall be abolished and the term of office of members of such board shall terminate. All contracts entered into by said board of trustees of public affairs and rules and regulations and other actions taken by such board shall continue in effect until they have terminated on their own accord or until they shall have been modified, changed, revised, amended, or repealed in the manner provided by law.

The Village never established a Board of Public Affairs, nor was the position of a Village Administrator created as required by law.

Council should consult with the Village Solicitor to research the Code Sections discussed above and establish a Board of Public Affairs. Once established, Council may determine it would better serve the Village to abolish the Board and, instead, appoint a Village Administrator as provided for by the Code.

Officials' Response: The current Council will work with our Solicitor to get this set up.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

FINDING NUMBER 2019-011

Noncompliance

Ohio Revised Code Section 2949.091 requires the court, in which any person is convicted or pleads guilty to any offense, to impose on the following sums as costs in the case in addition to any other court costs that the court is required by law to impose upon the offender:

- Thirty dollars if the offense is a felony.
- Twenty dollars if the offense is a misdemeanor other than a traffic offense that is not a moving violation.
- Ten dollars if the offense is a traffic offense that is not a moving violation, excluding parking violations.

All such monies collected during the month shall be transmitted on or before the twentieth of the following month by the clerk of the courts to the Treasurer of State.

The Village did not remit the amounts due to the State on or before the twentieth day of the following month throughout 2019 and 2018. Further, the Village did not maintain complete records to determine the exact amount due to the State for 2019 and 2018. However, based on the records available we determined that at least \$850 was due to the State as of December 31, 2019.

The Village should remit the State portion of Mayor's Court fines and fees collected to the State on or before the twentieth day of the following month and submit all reports as required timely.

Officials' Response: The previous Mayor's Court Clerk has been fired and the new Clerk is performing this in a timely manner to fulfill our obligations.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Ohio Revised Code Section 117.28	Corrected	N/A
2017-002	Ohio Revised Code Section 705.20	Not Corrected	Repeated as Finding 2019-008
2017-003	Ohio Revised Code Section 9.38	Corrected	N/A
2017-004	Ohio Revised Code Section 733.40	Not Corrected	Repeated as Finding 2019-009
2017-005	Ohio Revised Code Section 735.28	Not Corrected	Repeated as Finding 2019-010
2017-006	Ohio Revised Code Section 1905.21	Not Corrected	Repeated as Finding 2019-002
2017-007	Ohio Revised Code Sections 2743.70 and 2949.091	Not Corrected	Repeated as Finding 2019-006
2017-008	Ohio Revised Code Section 2949.091	Not Corrected	Repeated as Finding 2019-011
2017-009	Ohio Administrative Code Section 117-2-01(A) and (B)(4)	Corrected	N/A
2017-010	Ohio Administrative Code Section 117-2-01(D)(4)	Not Corrected	Repeated as Finding 2019-004
2017-011	Proper Posting	Not Corrected	Repeated as Finding 2019-001
2017-012	Ohio Administrative Code Section 117-2-01(D)(3) and (5)	Not Corrected	Repeated as Finding 2019-005
2017-013	Noncash Adjustments Policy	Not Corrected	Repeated as Finding 2019-007

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF COOLVILLE

ATHENS 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 6/1/2021

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