



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

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



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Columbus, Ohio 43215
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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, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

September 10, 2024

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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, 2023	4
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type - For the Year Ended December 31, 2023	5
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2023	6
Notes to the Financial Statements For the Year Ended December 31, 2023	7
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2022	14
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type - For the Year Ended December 31, 2022	15
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2022	16
Notes to the Financial Statements For the Year Ended December 31, 2022	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	25
Schedule of Findings.....	27
Summary Schedule of Prior Audit Findings	33

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INDEPENDENT AUDITOR'S REPORT

Village of Coolville
Athens County
PO Box 64
Coolville, Ohio 43318

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2023 and 2022, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 July 19, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



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

July 19, 2024

**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, 2023**

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ 20,087	\$ 7,404	\$ -	\$ 27,491
Intergovernmental	16,547	36,096	-	52,643
Special Assessments	-	9,831	-	9,831
Charges for Services	1,137	-	-	1,137
Fines, Licenses and Permits	5,532	-	-	5,532
Earnings on Investments	245	184	-	429
<i>Total Cash Receipts</i>	<u>43,548</u>	<u>53,515</u>	<u>-</u>	<u>97,063</u>
Cash Disbursements				
Current:				
Security of Persons and Property	33,698	-	-	33,698
Basic Utility Services	-	8,541	-	8,541
Transportation	-	37,338	-	37,338
General Government	28,342	3,116	-	31,458
Capital Outlay	5,354	-	400	5,754
<i>Total Cash Disbursements</i>	<u>67,394</u>	<u>48,995</u>	<u>400</u>	<u>116,789</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(23,846)</u>	<u>4,520</u>	<u>(400)</u>	<u>(19,726)</u>
Other Financing Receipts				
Sale of Capital Assets	2,003	2,400	-	4,403
<i>Total Other Financing Receipts</i>	<u>2,003</u>	<u>2,400</u>	<u>-</u>	<u>4,403</u>
<i>Net Change in Fund Cash Balances</i>	(21,843)	6,920	(400)	(15,323)
<i>Fund Cash Balances, January 1</i>	<u>221,775</u>	<u>88,585</u>	<u>1,976</u>	<u>312,336</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 199,932</u>	<u>\$ 95,505</u>	<u>\$ 1,576</u>	<u>\$ 297,013</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)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 401,404
<i>Total Operating Cash Receipts</i>	401,404
Operating Cash Disbursements	
Personal Services	54,140
Employee Fringe Benefits	-
Contractual Services	40,541
Supplies and Materials	138,495
<i>Total Operating Cash Disbursements</i>	233,176
<i>Operating Income</i>	168,228
Non-Operating Receipts (Disbursements)	
Special Assessments	15,320
Capital Outlay	(3,063)
Principal Retirement	(167,330)
<i>Total Non-Operating Receipts (Disbursements)</i>	(155,073)
<i>Net Change in Fund Cash Balances</i>	13,155
<i>Fund Cash Balances, January 1</i>	61,756
<i>Fund Cash Balances, December 31</i>	\$ 74,911

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

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2023**

		Other Custodial
Additions		
Fines, Licenses and Permits for Distribution	\$	2,338
<i>Total Additions</i>		2,338
Deductions		
Distributions as Fiscal Agent		645
<i>Total Deductions</i>		645
Net Change in Fund Balances		1,693
<i>Fund Cash Balances, January 1</i>		2,138
<i>Fund Cash Balances, December 31</i>	\$	3,831

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

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

Note 1 – Reporting Entity

The Village of Coolville (the Village), Athens 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, 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.

Public Entity Risk Pools

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary 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.

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 This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Street Levy Fund The Village has a Street Levy fund which receives 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 funds:

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Sewer Fund The Sewer Fund received 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 received charges for services from residents to cover sewer service costs.

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 Mayor's Court.

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

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

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 78,575	\$ 45,551	\$ (33,024)
Special Revenue	70,100	55,915	(14,185)
Capital Projects	2,500	-	(2,500)
Enterprise	512,600	416,724	(95,876)
Total	\$ 663,775	\$ 518,190	\$ (145,585)

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 148,154	\$ 67,630	\$ 80,524
Special Revenue	158,546	49,185	109,361
Capital Projects	4,476	400	4,076
Enterprise	574,356	403,898	170,458
Total	\$ 885,532	\$ 521,113	\$ 364,419

Note 4 – Deposits

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:

Demand deposits	2023 \$ 200,755
Certificates of deposit	175,000
Total deposits	\$ 375,755

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the village is holding \$1,188 in unremitted employee payroll withholdings.

Deposits

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

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

Note 5 – Taxes

Property Taxes

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

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

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

Note 6 – Risk Management

Risk Pool Membership

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 (the latest information available).

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.

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

Some 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, 2023.

Note 8 – Postemployment Benefits

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

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 2,007,956	0%
Total	\$ 2,007,956	

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 \$6,106,875 in loans and grants to the Village for this project. The Village will repay the loan in semiannual installments over 20 years. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

Note 9 – Debt (Continued)

Amortization

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

Year Ending December 31:	<u>OWDA Loan</u>
2024	\$ 167,330
2025	167,330
2026	167,330
2027	167,330
2028	167,330
2029-2033	836,649
2034-2038	<u>334,657</u>
Total	<u>\$ 2,007,956</u>

Note 10 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 236	\$ 190	\$ 426
<i>Total</i>	<u>\$ 236</u>	<u>\$ 190</u>	<u>\$ 426</u>

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

Note 11 – 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. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines

**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, 2022**

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$ 18,425	\$ 6,477	\$ -	\$ 24,902
Intergovernmental	18,330	60,249	-	78,579
Special Assessments	-	9,808	-	9,808
Charges for Services	127	-	-	127
Fines, Licenses and Permits	9,045	739	248	10,032
Earnings on Investments	87	86	-	173
<i>Total Cash Receipts</i>	<u>46,014</u>	<u>77,359</u>	<u>248</u>	<u>123,621</u>
Cash Disbursements				
Current:				
Security of Persons and Property	31,517	-	-	31,517
Basic Utility Services	-	9,008	-	9,008
Transportation	-	47,205	-	47,205
General Government	25,854	13,157	-	39,011
Capital Outlay	549	-	-	549
<i>Total Cash Disbursements</i>	<u>57,920</u>	<u>69,370</u>	<u>-</u>	<u>127,290</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(11,906)</u>	<u>7,989</u>	<u>248</u>	<u>(3,669)</u>
Other Financing Receipts				
Sale of Capital Assets	637	-	-	637
<i>Total Other Financing Receipts</i>	<u>637</u>	<u>-</u>	<u>-</u>	<u>637</u>
<i>Net Change in Fund Cash Balances</i>	(11,269)	7,989	248	(3,032)
<i>Fund Cash Balances, January 1 (Restated - See Note 13)</i>	<u>233,044</u>	<u>80,596</u>	<u>1,728</u>	<u>315,368</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 221,775</u>	<u>\$ 88,585</u>	<u>\$ 1,976</u>	<u>\$ 312,336</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)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 403,333
<i>Total Operating Cash Receipts</i>	403,333
Operating Cash Disbursements	
Personal Services	53,907
Employee Fringe Benefits	96
Contractual Services	33,121
Supplies and Materials	145,663
<i>Total Operating Cash Disbursements</i>	232,787
<i>Operating Income</i>	170,546
Non-Operating Receipts (Disbursements)	
Special Assessments	12,916
Capital Outlay	(6,968)
Principal Retirement	(167,330)
<i>Total Non-Operating Receipts (Disbursements)</i>	(161,382)
<i>Net Change in Fund Cash Balances</i>	9,164
<i>Fund Cash Balances, January 1</i>	52,592
<i>Fund Cash Balances, December 31</i>	\$ 61,756

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

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Other Custodial
Additions	
Fines, Licenses and Permits for Distribution	\$ 5,887
<i>Total Additions</i>	5,887
Deductions	
Distributions as Fiscal Agent	5,837
<i>Total Deductions</i>	5,837
Net Change in Fund Balances	50
<i>Fund Cash Balances, January 1</i>	2,088
<i>Fund Cash Balances, December 31</i>	\$ 2,138

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

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

Note 1 – Reporting Entity

The Village of Coolville (the Village), Athens 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, 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.

Public Entity Risk Pools

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary 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.

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 This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Street Levy Fund The Village has a Street Levy fund which receives 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 funds:

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Sewer Fund The Sewer Fund received 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 received charges for services from residents to cover sewer service costs.

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 Mayor's Court.

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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

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

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

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

Note 2 – Summary of Significant Accounting Policies (Continued)

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

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

Note 3 – Budgetary Activity

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

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 85,075	\$ 46,651	\$ (38,424)
Special Revenue	89,844	77,359	(12,485)
Capital Projects	2,500	248	(2,252)
Enterprise	496,500	416,249	(80,251)
Total	\$ 673,919	\$ 540,507	\$ (133,412)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 170,039	\$ 57,920	\$ 112,119
Special Revenue	166,323	69,370	96,953
Capital Projects	4,228	-	4,228
Enterprise	549,092	407,085	142,007
Total	\$ 889,682	\$ 534,375	\$ 355,307

Note 4 – Deposits

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:

Demand deposits	\$ 201,230
Certificates of deposit	175,000
Total deposits	\$ 376,230

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the village is holding \$0 in unremitted employee payroll withholdings.

Deposits

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

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

Note 5 – Taxes

Property Taxes

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

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

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

Note 6 – Risk Management

Risk Pool Membership

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.

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Social Security

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

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

Note 8 – Postemployment Benefits

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 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.

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.

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.

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$ 2,175,286	0%
Total	\$ 2,175,286	

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

Note 9 – Debt (Continued)

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 \$6,106,875 in loans and grants to the Village for this project. The Village will repay the loan in semiannual 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
2023	\$ 167,330
2024	167,330
2025	167,330
2026	167,330
2027	167,330
2028-2032	836,649
2033-2037	501,987
Total	<u>\$ 2,175,286</u>

Note 10 – Contingent Liabilities

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

Note 11 – Fund Balances

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 Village had no outstanding encumbrances.

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

Note 12 – 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 continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will 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.

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

Note 13– Restatement of Beginning Balance

Beginning fund balance at January 1, 2022 was restated for the Village’s General Fund due to voided checks.

	<u>General</u>
Ending Fund Balance December 31, 2021	\$ 232,642
Restatement	402
Beginning Fund Balance, January 1, 2022, Restated	<u>\$ 233,044</u>

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

Village of Coolville
Athens County
PO Box 64
Coolville, Ohio 43318

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Coolville, Athens County, (the Village) and have issued our report thereon dated July 19, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 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'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2023-001 through 2023-006 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-004 through 2023-008.

Purpose of This Report

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



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

July 19, 2024

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

FINDING NUMBER 2023-001

Material Weakness

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:

- Erroneous fund balance adjustment in the General Fund in 2022;
- Rollback receipts were recorded as Property and Other Local Taxes instead of Intergovernmental in the General Fund in 2022;
- Gas excise and license tax receipts were not properly allocated between the Street Construction, Maintenance and Repair and State Highway Funds in 2023 and 2022;
- Permissive Motor Vehicle License Tax receipts were improperly recorded to the Street Construction, Maintenance and Repair Fund and the State Highway Fund instead of the Permissive Motor Vehicle License Tax Fund in 2023 and 2022;
- General Government disbursements were misclassified as Other Financing Uses in the Coronavirus Local Fiscal Recovery Fund in 2022;
- Sales of fixed assets receipts were misclassified as Property and Other Local Taxes and Intergovernmental revenue in the Street Levy Fund in 2023; and
- The Village did not record all Mayor's Court Custodial Fund activity in the accounting system in 2023 or 2022 as referenced in Finding 2023-005.

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: Officials did not provide a response to this finding.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

FINDING NUMBER 2023-002

Material Weakness

Bank Reconciliations

The Fiscal Officer did not prepare accurate monthly reconciliations of bank balances to book balances. Some accounts the Village holds were not included on the bank reconciliations in 2023 and 2022. The lack of proper reconciliations among the bank statements and ledgers resulted in the immaterial misstatement of the Village's cash balances presented on their financial statements. However, without proper reconciliations the amount of the misstatement could potentially become material in future periods.

We recommend the Fiscal Officer prepare detailed bank reconciliations that include all bank account balances being reconciled to total book balance. Copies of bank reconciliations should be presented to the Governing Board for review, approval, and use in managing the Council. The Fiscal Officer should reconcile activity entered in the accounting system to the bank balance.

Officials' Response: Officials did not provide a response to this finding.

FINDING NUMBER 2023-003

Material Weakness

Mayor's Court Fines

Mayor's Court fines charged did not agree to the rates approved by the Council for 40% of tickets tested in 2023 and 100% of tickets tested in 2023. Failure to use approved rates can cause violators to be charged more or less than is due to the Village. This can result in unforeseen liabilities to the Village as well as potential loss of income. Failure to approve rates in the open minutes can cause confusion about which rates should be followed when issuing tickets.

The Council should approve all changes to the official fine, bond, and fee schedule in open meeting and document as such. Further, the Mayor and Fiscal Officer should verify ticket amounts issued agree to the formally approved fine, bond, and fee schedule.

Officials' Response: Officials did not provide a response to this finding.

FINDING NUMBER 2023-004

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.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

FINDING NUMBER 2023-004 (Continued)

Material Weakness/Noncompliance (Continued)

Ohio Revised Code Section 2981.13(B) (Continued)

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.
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.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

FINDING NUMBER 2023-004 (Continued)

Material Weakness/Noncompliance (Continued)

Ohio Revised Code Section 9.38 (Continued)

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, 2023, the balance of this account is \$140. 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: Officials did not provide a response to this finding.

FINDING NUMBER 2023-005

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 all 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: Officials did not provide a response to this finding.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

FINDING NUMBER 2023-006

Material Weakness/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.

During 2023 and 2022, the Mayor did not remit monies collected to the Village by the first Monday or each month. Further, amounts remitted to the Village did not agree to monthly journals. Based on the records provided, at December 31, 2023 and 2022, the amounts owed to the Village were \$1,435 and \$1,705, respectively.

The Mayor should distribute the accurate amount of 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: Officials did not provide a response to this finding.

FINDING NUMBER 2023-007

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: Officials did not provide a response to this finding.

VILLAGE OF COOLVILLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

FINDING NUMBER 2023-008

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 for most months throughout 2023 and 2022. Based on the records provided, at December 31, 2023 and 2022, the amounts owed to the State were \$150 and \$38, respectively.

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: Officials did not provide a response to this finding.

**VILLAGE OF COOLVILLE
ATHENS COUNTY**

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

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting	Not Corrected	Repeated as Finding 2023-001
2021-002	Bank Reconciliations	Not Corrected	Repeated as Finding 2023-002
2021-003	Mayor's Court Fines	Not Corrected	Repeated as Finding 2023-003
2021-004	Ohio Revised Code Section 2981.13(B)	Not Corrected	Repeated as Finding 2023-004
2021-005	Ohio Administrative Code Section 117-2-01(D)(4)	Corrected	N/A
2021-006	Ohio Administrative Code Section 117-2-01(D)(3) and (5)	Not Corrected	Repeated as Finding 2023-005
2021-007	Ohio Revised Code Section 733.40	Not Corrected	Repeated as Finding 2023-006
2021-008	Ohio Revised Code Section 735.28 and 735.272	Not Corrected	Repeated as Finding 2023-007
2021-009	Ohio Revised Code Section 2949.091	Not Corrected	Repeated as Finding 2023-008

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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 9/24/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov