



Dave Yost • Auditor of State



VILLAGE OF CONESVILLE  
COSHOCOTON COUNTY  
DECEMBER 31, 2016 AND 2015

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Conesville  
Coshocton County  
P.O. Box 214  
Conesville, Ohio 43811

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 the Village of Conesville, Coshocton County, Ohio (the Village), as of and for the years ended December 31, 2016 and 2015.

### ***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 § 117.38 and Ohio Administrative Code § 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 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.

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph 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, 2016 and 2015, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Conesville, Coshocton County, as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2017, 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 5, 2017

**Village of Conesville, Ohio***Coshocton County**Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2016*

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$11,340	\$0	\$0	\$11,340
Municipal Income Tax	51,099	0	0	51,099
Intergovernmental	19,901	16,350	0	36,251
Miscellaneous	510	4,070	0	4,580
<i>Total Cash Receipts</i>	<u>82,850</u>	<u>20,420</u>	<u>0</u>	<u>103,270</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	0	5,480	0	5,480
Leisure Time Activities	14,716	0	0	14,716
Basic Utility Services	1,560	0	0	1,560
General Government	25,118	0	0	25,118
Debt Service:				
Principal Retirement	4,171	0	25,509	29,680
Interest and Fiscal Charges	0	0	3,334	3,334
<i>Total Cash Disbursements</i>	<u>45,565</u>	<u>5,480</u>	<u>28,843</u>	<u>79,888</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>37,285</u>	<u>14,940</u>	<u>(28,843)</u>	<u>23,382</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	0	0	28,843	28,843
Transfers Out	(28,843)	0	0	(28,843)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(28,843)</u>	<u>0</u>	<u>28,843</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	8,442	14,940	0	23,382
<i>Fund Cash Balances, January 1</i>	<u>24,002</u>	<u>32,705</u>	<u>0</u>	<u>56,707</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	47,645	0	47,645
Assigned	32,444	0	0	32,444
<i>Fund Cash Balances, December 31</i>	<u>\$32,444</u>	<u>\$47,645</u>	<u>\$0</u>	<u>\$80,089</u>

*See accompanying notes to the basic financial statements*

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**VILLAGE OF CONESVILLE  
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Conesville, Coshocoton County, Ohio, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services including road maintenance and repair.

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (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.

**C. Deposits and Investments**

All deposits are maintained in a non-interest bearing checking account.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

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

**2. Special Revenue Funds**

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

**Street Construction, Maintenance and Repair Fund** – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**3. Debt Service Funds**

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

**General Obligation Bond Retirement Fund** – This fund accounts for the principal and interest payments related to the general obligation bond.

VILLAGE OF CONESVILLE  
COSHOCTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2016 budgetary activity appears in Note 3.

F. Fund Balance

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

1. 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.

2. 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.

**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Fund Balance (Continued)**

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.

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

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

**2. 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:

	2016
Demand deposits	\$80,089

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$43,553	\$82,850	\$39,297
Special Revenue	4,300	20,420	16,120
Debt Service	28,843	28,843	0
Total	\$76,696	\$132,113	\$55,417

**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$54,972	\$74,408	(\$19,436)
Special Revenue	15,377	5,480	9,897
Debt Service	28,843	28,843	0
Total	\$99,192	\$108,731	(\$9,539)

Contrary to Ohio Rev. Code § 5705.10(A) and Ohio Rev. Code § 5735, property tax settlements and intergovernmental revenue were not included in the correct funds resulting in adjustment to certain funds cash balances.

Contrary to Ohio Rev. Code § 5705.40, estimated revenue and appropriations reported in the accounting system did not always agree to the approved amounts.

**4. TAXES**

**Property Taxes**

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

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

**Local Income Taxes**

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

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

**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Street Improvement Bonds	\$73,464	3.25%
Ohio Public Works Commission	29,200	0.00%
Total	\$102,664	

The Street Improvements Bonds were issued in 2014 to finance the repair and maintenance of the Village's streets. The payments are due in semi-annual installments maturing in 2019. The Village has established a municipal income tax of 1% effective January 1, 2015 in order to cover the repayment of the debt.

The Ohio Public Works Commission loan was issued in 2004 to finance the construction of storm sewer improvements. The payments are due in semi-annual installments maturing in 2024. The Village has set aside local government monies sufficient to cover the repayment of the debt.

**Amortization**

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

	Street Improvement Bond	OPWC Loan
Year ending December 31:		
2017	\$28,843	\$4,171
2018	28,843	4,171
2019	15,778	4,171
2020	0	4,171
2021	0	4,171
2022-2024	0	8,345
Total	\$73,464	\$29,200

**6. RISK MANAGEMENT**

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.

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**Village of Conesville, Ohio**  
*Coshocton County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2015*

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$10,951	\$0	\$0	\$0	\$10,951
Municipal Income Tax	23,963	0	0	0	23,963
Intergovernmental	18,767	20,442	0	0	39,209
Miscellaneous	3,094	0	0	0	3,094
<i>Total Cash Receipts</i>	<u>56,775</u>	<u>20,442</u>	<u>0</u>	<u>0</u>	<u>77,217</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	0	10,596	0	0	10,596
Leisure Time Activities	3,717	0	0	0	3,717
Community Environment	140	0	0	0	140
Basic Utility Services	2,256	0	0	0	2,256
Transportation	0	2,567	0	0	2,567
General Government	17,693	0	0	0	17,693
Debt Service:					
Principal Retirement	6,257	0	32,992	0	39,249
Interest and Fiscal Charges	0	0	4,144	0	4,144
<i>Total Cash Disbursements</i>	<u>30,063</u>	<u>13,163</u>	<u>37,136</u>	<u>0</u>	<u>80,362</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>26,712</u>	<u>7,279</u>	<u>(37,136)</u>	<u>0</u>	<u>(3,145)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In	0	0	37,136	0	37,136
Transfers Out	(14,422)	0	0	(22,714)	(37,136)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(14,422)</u>	<u>0</u>	<u>37,136</u>	<u>(22,714)</u>	<u>0</u>
Special Item	582	0	0	0	582
<i>Net Change in Fund Cash Balances</i>	12,872	7,279	0	(22,714)	(2,563)
<i>Fund Cash Balances, January 1</i>	<u>11,130</u>	<u>25,426</u>	<u>0</u>	<u>22,714</u>	<u>59,270</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	0	32,705	0	0	32,705
Assigned	24,002	0	0	0	24,002
<i>Fund Cash Balances, December 31</i>	<u>\$24,002</u>	<u>\$32,705</u>	<u>\$0</u>	<u>\$0</u>	<u>\$56,707</u>

See accompanying notes to the basic financial statements

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**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Conesville, Coshocton County, Ohio, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services including road maintenance and repair.

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (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.

**C. Deposits and Investments**

All deposits are maintained in a non-interest bearing checking account.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

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

**2. Special Revenue Funds**

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

**Street Construction, Maintenance and Repair Fund** – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**3. Debt Service Funds**

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

**General Obligation Bond Retirement Fund** – This fund accounts for the principal and interest payments related to the general obligation bond.

VILLAGE OF CONESVILLE  
COSHOCTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

4. Capital Project Funds

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

**Bond Construction Fund** – This fund receives proceeds of general obligation bonds. The proceeds are being used to repair the Village's streets.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2015 budgetary activity appears in Note 3.

F. Fund Balance

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

1. 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.

**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Fund Balance (Continued)**

**2. 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.

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.

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

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

**2. 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:

	2015
Demand deposits	\$56,707

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,363	\$57,357	(\$25,006)
Special Revenue	4,300	20,442	16,142
Debt Service	28,843	37,136	8,293
Total	\$115,506	\$114,935	(\$571)

**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$28,976	\$44,485	(\$15,509)
Special Revenue	13,266	13,163	103
Debt Service	30,000	37,136	(7,136)
Capital Projects	0	22,714	(22,714)
Total	\$72,242	\$117,498	(\$45,256)

Contrary to Ohio Rev. Code § 5705.10(A) and Ohio Rev. Code § 5735, property tax settlements and intergovernmental revenue were not included in the correct funds resulting in adjustment to certain funds cash balances.

Contrary to Ohio Rev. Code § 5705.40, estimated revenue and appropriations reported in the accounting system did not always agree to the approved amounts.

Contrary to Ohio Rev. Code § 5705.41(B), budgetary expenditures exceeded appropriations in certain funds.

**4. TAXES**

**Property Taxes**

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

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

**Local Income Taxes**

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

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

**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Street Improvement Bonds	\$98,973	3.25%
Ohio Public Works Commission	33,371	0.00%
Total	\$132,344	

The Street Improvements Bonds were issued in 2014 to finance the repair and maintenance of the Village streets. The payments are due in semi-annual installments maturing in 2019. The Village has established a municipal income tax of 1% effective January 1, 2015 in order to cover the repayment of the debt.

The Ohio Public Works Commission loan was issued in 2004 to finance the construction of storm sewer improvements. The payments are due in semi-annual installments maturing in 2024. The Village has set aside local government monies sufficient to cover the repayment of the debt.

**Amortization**

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

	Street Improvement Bond	OPWC Loan
Year ending December 31:		
2016	\$28,843	\$4,171
2017	28,843	4,171
2018	28,843	4,171
2019	12,444	4,171
2020	0	4,171
2021-2024	0	12,516
Total	\$98,973	\$33,371

**6. RISK MANAGEMENT**

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.

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# Dave Yost • Auditor of State

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

Village of Conesville  
Coshocton County  
P.O. Box 214  
Conesville, Ohio 43811

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 Conesville, Coshocton County, Ohio (the Village), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated October 5, 2017, wherein we noted the Village followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion 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 Findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and significant deficiencies.

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 2016-001, 2016-004, and 2016-005 described in the accompanying Schedule of 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 2016-006 and 2016-007 described in the accompanying Schedule of 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 determination of financial statement amounts. 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 is described in the accompanying Schedule of Findings as items 2016-001 through 2016-004 and 2016-006.

**Village's Response to Findings**

The Village's responses to the Findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Village's responses 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 5, 2017



**VILLAGE OF CONESVILLE  
COSHOCKTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2016-001**

**Noncompliance and Material Weakness**

Ohio Rev. Code § 5705.10(A) requires that all revenue derived from the general levy for current expense within the ten-mill limitation and from any general levy for current expense authorized by vote in excess of the ten-mill limitation and from sources other than the general property tax, unless its use for a particular purpose is prescribed by law, shall be paid into the general fund. Additionally, the Village received funding restricted for the purpose of street maintenance, repair and construction from permissive taxes, motor vehicle license taxes and gasoline taxes pursuant to Ohio Rev. Code Chapter 4503, § 4504.15, § 4504.16, § 5728.06 and Chapter 5735. These funds were required to be reported in the Village's Street Fund.

During 2016 and 2015, the Village received revenues from property taxes, local government assistance from the State, and various State collected revenue restricted for the purpose of street maintenance, repair and construction. However, the Village did not consistently report this revenue within the correct fund. Revenue was often reported within an incorrect classification. This resulted in the following fund adjustments:

- For 2016, the General Fund cash fund balance, Property and Other Local Taxes and Intergovernmental Revenue were overstated by \$7,141, \$2,202 and \$4,939, respectively;
- For 2016, Special Revenue Fund cash fund balance and Intergovernmental Revenue were both understated by \$7,141;
- For 2015, the General Fund cash fund balance, Property Tax and Other Local Taxes, and Intergovernmental Revenue were overstated by \$10,094, \$1,840 and \$8,344, respectively. General Fund Income Tax Revenue was understated by \$90; and
- For 2015, Special Revenue Fund cash fund balance and Intergovernmental Revenue was understated by \$10,094 and \$10,184, respectively. Special Revenue Fund Property and Other Local Taxes were overstated by \$90.

We also noted the following reclassifications:

- For 2016, within the General Fund, the Village improperly recorded property tax at net and improperly classified Property Tax, Intergovernmental Revenue and Income Tax Receipts. This caused intergovernmental revenue, Income Tax Revenue and General Government expense to be understated by \$446, \$1,448 and \$1,430, respectively. Property tax was overstated by \$464;
- For 2015, within the General Fund, the Village improperly recorded property tax revenue at net and improperly classified Property Tax, Intergovernmental Revenue, Income Tax Receipts and Miscellaneous Revenue. This caused Intergovernmental Revenue, Income Tax Revenue, Miscellaneous Revenue and General Government expense to be understated by \$5,554, \$73, \$2,674 and \$1,102, respectively. Property Tax Revenue and Special items was overstated by \$4,525 and \$2,674, respectively; and
- For 2015, within the Special Revenue Fund, the Village improperly recorded Intergovernmental Revenue as Property Tax Revenue. This caused Intergovernmental Revenue to be understated by \$374 and Property Tax Revenue to be overstated by \$374.

Sound financial reporting is the responsibility of the Village and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

**VILLAGE OF CONESVILLE  
COSHOCOTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2016-001 (Continued)**

**Noncompliance and Material Weakness (Continued)**

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures to identify and correct errors and omissions. In addition, the Village should review the financial statements and notes prior to submission for audit. The financial statements and accounting system have been adjusted accordingly.

**Officials' Response:** Corrections made through fund balance adjustments.

**FINDING NUMBER 2016-002**

**Noncompliance**

Ohio Rev. Code § 5705.40 allows any appropriation ordinance or measure to be amended or supplemented, provided that such amendment or supplement shall comply with all provisions of law governing the taxing authority in making an original appropriation and that no appropriation for any purpose shall be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations certified from or against the appropriation. Ohio Admin. Code § 117-2-02(C)(1) required all local public offices to integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system in order to effectively maintain the accounting and budgetary records. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations. The Village utilized a financial accounting system which was capable of integrating budgetary and actual financial information at a level lower than the legal level of budgetary control.

For 2015 and 2016, appropriations reported in the financial system did not always agree to Council approved amounts. Variances between approved appropriations and system appropriations were (\$22,714) to (\$500) in 2015 and (\$150) in 2016. Additionally, estimated revenue reported in the financial system did not always agree to the Coshocoton County Budget Commission approved amounts. Variances between approved estimated revenue and system reported budgeted revenue were (\$11,157) to \$35,700 in 2015 and (\$42,240) in 2016.

As a result, there was an increased risk that appropriations were posted without proper authorization and that expenditures could be made in excess of Council approved appropriations. Additionally, inaccurately posted budgetary information could lead to errors in reporting budget versus actual information in the notes to the financial statements. Additionally, utilizing inaccurate budgetary reports throughout the year increases the possibility that management will make financial decisions based off of inaccurate information.

Appropriations posted into the financial system should equal Council approved appropriations. Any supplemental appropriations should be approved by Council prior to being posted. Estimated revenue posted into the financial system should equal estimated revenue approved by the Budget Commission. This will help provide accurate budget versus actual comparisons and allow management and the Council to make informed financial decisions.

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

**VILLAGE OF CONESVILLE  
COSHOCKTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2016-003**

**Noncompliance**

Ohio Rev. Code § 5705.41(B) requires that no subdivision or taxing unit expend money unless it has been appropriated.

In 2015, expenditures made by the Village exceeded Council-approved appropriations by \$837 and \$22,714 in the Street Construction, Maintenance and Repair Fund and Bond Construction Fund, respectively. As a result, there was an increased risk of the Village incurring deficit cash balances.

Council should approve supplemental appropriations so that disbursements are within the Village's approved appropriations. However, Council should only approve supplemental appropriations when supplemental appropriations and previously approved appropriations are within estimated resources as reported on the Amended Certificate of Estimated Resources (or if a new Amended Certificate can be submitted due to increased expected revenue). When disbursements are expected to exceed appropriations and additional appropriations cannot be approved as the new total appropriations would exceed estimated resources, the Village should review their spending plan to determine the necessity of purchases and where cuts can be made. This will help ensure the Village does not expend excessive amounts and allow the Village to maintain surplus cash balances.

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

**FINDING NUMBER 2016-004**

**Noncompliance and Material Weakness**

Village Council Ordinance 2014-11.1 states that Village Council approved the issuance of a Street Improvement Bond, Series 2014 in the amount of \$131,964 with an interest rate of 3.25% that matures in five years. Street Improvements Bond, Series 2014 agreements state that this bond is payable from the proceeds of the Village's municipal income tax, which have been pledged and have had a lien placed thereon for such purpose. Additionally, the Certificate under §§ 103(b)(2) and 148 of the Internal Revenue Code of 1986, as Amended, Section F (3), states that except for the Bond Retirement Fund, no other account or fund has been or will be established to pay principal of, premium, if any, or interest on the Bonds.

Ohio Rev. Code § 5705.14(F) states that monies retained or received by a county under § 4501.04 or division (A)(3) of § 5735.27 of the Revised Code may be transferred from the fund into which they were deposited to the sinking fund or bond retirement fund from which any principal, interest, or charges for which such moneys may be used is payable.

In fiscal year 2015, we noted that the Village improperly paid a portion of the principal and interest payments related to the bond out of the Capital Projects Fund in the amount of \$22,714. The remaining principal and interest payments of \$14,422 were paid out of the Debt Service Fund; however, there is no revenue source recorded in the debt service funds causing a negative fund balance of \$14,422. The income tax revenue pledged for the repayment of the bond is recorded in the General Fund. Adjustments were posted to the financial statements to reflect a transfer out of the General Fund and a transfer in to the Debt Service Fund in the amount of \$14,422, as well as a reclassification of the transportation expenditure of \$22,714 to a transfer out in the Capital Projects Fund to the Debt Service Fund to show the principal and interest payments in the Debt Service Fund.

**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2016-004 (Continued)**

**Noncompliance and Material Weakness (Continued)**

In fiscal year 2016, we noted that the all principal and interest payments for this bond amounting to \$28,843 were paid out of the bond retirement funds; however, there is no revenue source recorded in the debt service funds causing a negative fund balance of \$28,843. Adjustments were posted to the financial statements to reflect a transfer out of the General Fund and a transfer in to the Debt Service Fund in the amount of \$28,843.

The Village should account for debt service principal and interest payments in the Debt Service Fund. As the revenue source pledged for repayment of the bond is recorded in the General Fund, the Village should also make the necessary transfer from the General Fund to the Debt Service Fund to make the required payments. These transfers should be approved by the Village Council.

**Officials' Response:** Corrections made through fund balance adjustments.

**FINDING NUMBER 2016-005**

**Material Weakness**

The Village should maintain an accounting system and accounting records sufficient to enable the Village 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 in accordance with the accounting basis permitted by the financial reporting provisions of Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(D).

As a result of audit procedures performed, errors were noted in the Village's financial statements that required audit adjustments and reclassifications as follows:

- For 2015, the Village improperly reported \$1,988 in Interest and Other Fiscal Charges payments in the Debt Service fund as Principal.
- For 2015, the Village improperly charged \$940 of additional services provided by the Fiscal Officer to Special Revenue – Transportation expense instead of General Fund – General Government expense.
- Governmental Accounting Standards Board (GASB) Statement No. 54 defined how fund balances were to be classified and was codified as follows: GASB Cod. 1800.168-169 requires reporting funds whose revenue has external legal constraints as Restricted. GASB Cod.1800.170-172 requires reporting funds whose revenue had constraints imposed by Council, which could not be changed without Council approval, as Committed. GASB Cod. 1800.173-176 requires funds without external or internal constraints to report Assigned fund balances for amounts encumbered or set aside to cover the excess of subsequent year appropriations exceeding estimated revenue. GASB Cod.1800.177 requires funds that have a negative balance to be reported as Unassigned regardless of their classification, or purpose, when having positive fund balances. The following inaccurate reporting of fund balances was noted, prior to the effect of any audit adjustments:

**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2016-005 (Continued)**

**Material Weakness (Continued)**

- The General Fund initially reported the fund balance as Unassigned. However, the amounts encumbered or set aside to cover the excess of subsequent year appropriations exceeded estimated revenue. As a result, the entire balance should have been reported as having an Assigned Fund Balance. This caused the Assigned fund balance to be understated by \$32,444 for 2016 and \$24,002 for 2015.

The financial statements have been adjusted accordingly for the above listed items.

We also noted an insignificant adjustment for:

- The Village contracted with the Regional Income Tax Agency (RITA) to perform the collection and distribution of municipal income taxes. RITA charged a fee of approximately 3% in each year. The fee was collected from income tax collections and not remitted to the Village. Additionally, income tax refunds are processed by Regional Income Tax Agency (RITA). The disbursement to the Village from RITA is adjusted based on the refunds issued. The Village should report the retainer fees and refund amounts as both a receipt and disbursement in order to report activity at the gross distribution level. However, the Village reported the activity as the net distribution level. As a result, General Fund Municipal Income Taxes and General Government disbursements were understated by \$2,424 and \$733 in 2016 and 2015, respectively.

Failure to properly report financial activity could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the Village's financial position and operations.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures to identify and correct errors and omissions. In addition, the Village should review the financial statements and notes prior to submission for audit.

**Officials' Response:** Corrections made through fund balance adjustments.

**FINDING NUMBER 2016-006**

**Noncompliance and Significant Deficiency**

Ohio Rev. Code § 121.22(C) states all meetings of any public body are declared to be public meetings open to the public at all times. The minutes of a regular or special meeting of any public body shall be promptly prepared, filed, and maintained and shall be open to public inspection.

However, the minutes for Council meetings held in January and May 2015 were not maintained.

Additionally, at the beginning of 2015, there was a transition in Fiscal Officer position with the current Fiscal Officer assuming office in February 2015. Wages paid to the Fiscal Officer were increased to \$300 a month from \$125 a month. However, approval for this wage increase is not supported by the Council minutes as the Mayor stated that the approval was made by Council during the January 2015 meeting.

**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2016-006 (Continued)**

**Noncompliance and Significant Deficiency (Continued)**

For the majority of the Council meetings in 2015 and 2016, the Fiscal Officer distributed a financial report package to the Council members and the Mayor. Occasionally at the Council meetings, the Fiscal Officer would present a list of bills that were approved by Council.

As the minute records were silent on what reports were included in the financial report package, the Fiscal Officer verbally confirmed that the financial report package consisted of a general ledger showing monthly receipts and disbursements along with the total ending fund balance. Village Council did not receive any other financial information such as a budget versus actual reports, fund balance report showing each fund's balance, or an appropriation report showing the amount of appropriations available. This prohibited Village management from making sound financial decisions and from monitoring the Fiscal Officer and the Village activity. Segregation of duties did not exist as the Fiscal Officer handled the receipt, expenditures, and budgetary duties without proper monitoring by Council or the Mayor.

The Village should implement procedures to ensure that management is provided pertinent financial information printed from the UAN system, such as budget versus actual reports and fund balance reports, in order to make the best financial decisions for the Village. Procedures should be implemented to ensure that the minutes of all regular and special meetings are documented and maintained for public inspection. The Village should also implement policies and procedures that include the monitoring of purchases made by the Fiscal Officer and ensure that a segregation of duties exists in order to deter Village employees from making unallowable purchases. This will help strengthen the Village's internal control environment as well as help reduce the risk that Village assets are misappropriated.

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

**FINDING NUMBER 2016-007**

**Significant Deficiency**

Bank reconciliations were completed monthly by the Fiscal Officer. However, the monthly reconciliations for the period of June 2015 through October 2016 showed unidentified reconciling adjustments ranging from \$2,585 to \$4,063. In November 2016, the Fiscal Officer identified a portion of the unreconciled items; however, she was not able to determine the entire balance of the unreconciled difference. In order for the UAN fund balance to agree to the bank balance, the Fiscal Officer posted a plug figure as a fund balance adjustment.

Differences between the bank balance and UAN system were identified, and the following adjustments were made to the financial statements:

- For 2016, the General Fund cash fund balance and Intergovernmental Revenue was overstated by \$353 and \$127, respectively. General Fund General Government expenses was understated by \$226;
- For 2016, Special Revenue Fund cash fund balance and Intergovernmental Revenue were each overstated by \$938;

**VILLAGE OF CONESVILLE  
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2016 AND 2015  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2016-007 (Continued)**

**Significant Deficiency (Continued)**

- For 2015, the General Fund cash fund balance, Property Tax and Other Local Taxes, Intergovernmental Revenue, and Special Items were overstated by \$2,241, \$359, \$1,661, and \$58, respectively. Miscellaneous Revenue and General Fund General Government expenses was understated by \$5 and \$168, respectively; and
- For 2015, Special Revenue Fund cash fund balance and Intergovernmental Revenue was each overstated by \$507.

As monthly bank reconciliations were not properly completed throughout the audit period, the risk that funds could be misappropriated or errors and omissions could go undetected is increased.

Additionally, there is no evidence in the minutes that the monthly bank to book reconciliations are submitted to Council for approval.

The Village should perform a complete and accurate bank to book reconciliation each month. The monthly bank to book reconciliation should clearly identify the bank balances and each reconciling item that reduces or increases the bank balances to the Village's balance presented on the monthly cash journal. Support should be maintained for all reconciling items noted in the monthly bank to book reconciliation. Additionally, the monthly bank to book reconciliation should be submitted to Village Council and their approval should be noted in the minutes. This will help strengthen the Village's internal controls over the monthly bank to book reconciliation process and help ensure errors or omissions are detected timely reducing the risk funds could be misappropriated.

**Officials' Response:** Corrections made through fund balance adjustments.

**VILLAGE OF CONESVILLE  
COSHOCKTON COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2016**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2014-001	Ohio Rev. Code § 121.22(C) and Ohio Rev. Code § 733.262(D) requires minutes to be prepared for all meetings and all board decisions need to be documented and approved in the minutes.	Repeat	The minutes of the Village of Conesville are prepared for all meetings and all board decisions are being documented and approved.
2014-002	Ohio Rev. Code § 5705.10 (A) property taxes and intergovernmental revenue as not always posted to the correct fund.	Repeat	Corrections have been made and ALL revenue is being posted to the correct funds.
2014-003	Ohio Rev. Code § 5705.38(A) requires, in part, that on or about the first day of each year, an appropriation measure is to be passed.	Corrected	Temporary appropriations are passed in December to allow for expenditures in the new year. On or about February the Final Appropriations are approved.
2014-004	Ohio Rev. Code § 5705.41(B) expenditures exceeded appropriations.	Repeat	Appropriations are being correctly budgeted.
2014-005	Ohio Rev. Code § 5705.41(D) expenditures were not properly certified as the fiscal officer did not use purchase orders.	Corrected	Purchase orders are being used for every purchase.
2014-006	Ohio Admin. Code §117-2-02(C)(1) should integrate the budgetary accounts, into the financial accounting system.	Corrected	Budgetary accounts are integrated into the UAN system.
2014-007	Material Weakness – intergovernmental revenue was not properly reported nor was all checks cashed/received.	Corrected	Revenue is being properly reported and ALL checks received are cashed. Most revenue is now being directly deposited.
2014-008	Material Weakness – not all miscellaneous was properly supported or identified	Corrected	All miscellaneous items are properly identified. Cash donations are identified in the minutes as well as donations by check which is photocopied.
2014-009	Financial Reporting- material reclasses and adjustments	Repeat	The only adjustments being made are those that are required by the auditors.





# Dave Yost • Auditor of State

VILLAGE OF CONESVILLE

COSHOCTON COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
OCTOBER 19, 2017