

**VILLAGE OF NEW ATHENS**  
**AUDIT REPORT**  
**JANUARY 1, 2017 - DECEMBER 31, 2018**

**Wilson, Phillips & Agin, CPA's, Inc.**  
**1100 Brandywine Blvd. Building G**  
**Zanesville, Ohio 43701**





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Village Council  
Village of New Athens  
P. O. Box 126  
162 Main Street  
New Athens, Ohio 43981

We have reviewed the *Independent Auditors' Report* of the Village of New Athens, Harrison County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

**Finding for Recovery:**

**Ohio Rev. Code § 117.28** requires the Auditor of State to issue a finding for recovery when an audit report sets forth that any public money collected has been illegally expended, or that any public money collected has not been accounted for, or that any public money due has not been collected, or that any public property has been converted or misappropriated.

During the Period examined, January 1, 2013 through July 31, 2017, Jason Simmerman was the Village's Police Chief. Mr. Simmerman received \$3,205 in reimbursements that were not supported by documentation or the support only included a print out of the online cart of items intending to be purchased, not what was actually purchased. Mr. Simmerman indicated items purchased were for the Village's Police Department; however, due to the lack of documentation, we were unable to determine whether the expenditures were for Village purposes. Mr. Simmerman provided support for \$1,170 in reimbursement payments received; therefore, \$2,035 remained unsupported.

In accordance with the foregoing facts and pursuant to the Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Jason Simmerman in the amount of \$2,035; \$230 in favor of the Village's general fund, \$116 in favor of the Village's Street Construction and Maintenance and Repair fund, \$125 in favor of the Village's Permissive Motor Vehicle License Tax fund and \$1,564 in favor of the Village's Other Special Revenue-Police fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. Rel. Village of Linndale v. Masten, 18 Ohio St.3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen.

Payments made to Mr. Simmerman were authorized from the Village by the fiscal officer, Kelley Fulton, and Mayors, William Sedgmer and Ellis Able.

Accordingly, Kelley Fulton and her bonding company, Ohio Plan Risk Management, will be jointly and severally liable in the amount of \$2,035, William Sedgmer will be jointly and severally liable in the amount of \$2,020; \$215 in favor of the Village’s general fund, \$116 in favor of the Village’s Street Construction and Maintenance and Repair fund, \$125 in favor of the Village’s Permissive Motor Vehicle License Tax fund and \$1,564 in favor of the Village’s Other Special Revenue-Police fund, and Ellis Able will be jointly and severally liable in the amount of \$15, in favor of the Village’s general fund.

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 New Athens is responsible for compliance with these laws and regulations.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 12, 2019

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY  
JANUARY 1, 2017 - DECEMBER 31, 2018**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Village of New Athens  
Harrison County  
P.O. Box 126  
New Athens, Ohio 43981

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 New Athens, Harrison County, as of and for the years ended December 31, 2018 and 2017.

**Management's Responsibility For the Financial Statements**

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no 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 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory basis of accounting and GAAP are not reasonably determinable, are presumed to be material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted 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 of New Athens as of December 31, 2018 and 2017, or changes in financial position or cash flows 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 cash balances, receipts and disbursements by fund type, and the related notes of the Village of New Athens, Harrison County as of December 31, 2018 and 2017, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2019, on our consideration of the Village of New Athens'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.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 15, 2019



**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts</b>				
Property Tax and Other Local Taxes	\$ 15,050	\$ 8,224	\$ -	\$ 23,274
Intergovernmental Receipts	26,164	21,267	-	47,431
Charges for Services	-	6,000	-	6,000
Fines, Licenses, and Permits	-	8,054	-	8,054
Earnings on Investments	62	13	-	75
Miscellaneous	754	-	-	754
<b>Total Cash Receipts</b>	<u>42,030</u>	<u>43,558</u>	<u>-</u>	<u>85,588</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	11,161	11,137	-	22,298
Community Environment	2,687	-	-	2,687
Transportation	-	7,442	-	7,442
General Government	17,237	-	-	17,237
Debt Service:				
Principal	800	6,628	-	7,428
Interest	235	-	-	235
<b>Total Cash Disbursements</b>	<u>32,120</u>	<u>25,207</u>	<u>-</u>	<u>57,327</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	9,910	18,351	-	28,261
<b>Other Financing Receipts/(Disbursements)</b>				
Other Financing Uses	(4,799)	(1,000)	-	(5,799)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(4,799)</u>	<u>(1,000)</u>	<u>-</u>	<u>(5,799)</u>
<b>Net Change in Fund Cash Balance</b>	5,111	17,351	-	22,462
<b>Fund Cash Balances, January 1, 2018, restated</b>	<u>7,627</u>	<u>20,602</u>	<u>53</u>	<u>28,282</u>
<b>Fund Cash Balances, December 31, 2018</b>				
Restricted	-	37,953	53	38,006
Unassigned (Deficit)	12,738	-	-	12,738
<b>Fund Cash Balances, December 31, 2018</b>	<u>\$ 12,738</u>	<u>\$ 37,953</u>	<u>\$ 53</u>	<u>\$ 50,744</u>

See notes to financial statements.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Proprietary</b>
	<b>Enterprise Fund</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 204,951
<b>Total Operating Cash Receipts</b>	204,951
<b>Operating Cash Disbursements:</b>	
Personal Services	57,266
Fringe Benefits	8,121
Contractual Services	87,462
Supplies and Materials	37,590
<b>Total Operating Cash Disbursements</b>	190,439
Operating Income/(Loss)	14,512
<b>Non-Operating Cash Receipts (Disbursements):</b>	
Redemption of Principal	(1,600)
Interest and Fiscal Charges	(472)
Other Financing Uses	(674)
<b>Total Non-Operating Cash Receipts (Disbursements)</b>	(2,746)
<b>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</b>	11,766
<b>Special Item</b>	905
<b>Net Receipts Over/(Under) Disbursements</b>	12,671
<b>Fund Cash Balances, January 1, restated</b>	94,811
<b>Fund Cash Balances, December 31</b>	\$ 107,482

See notes to financial statements.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of New Athens, Harrison County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, street repair and maintenance, and police protection. The Village contracts with the New Athens Volunteer Fire Department to provide fire protection services.

The Village participates in the Ohio Plan Risk Management public entity risk pool. Note 7 to the financial statements provides additional information for these entities.

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

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

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

**Governmental Funds**

**General Fund**

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

**Police Fund** - This fund receives fines, licenses and permits to fund police operations.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**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:

Capital Project Fund – This fund receives proceeds from the Ohio Public Works Commission (OPWC) and Ohio Water Development Authority (OWDA) being loans or grants. The proceeds are being used for waterline replacement and wastewater system projects.

**Enterprise Funds**

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

**Water Fund** – This fund receives charges for services from residents to cover water service costs.

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

***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 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 117-2-03(D) permit.

***Budgetary Process***

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

**Appropriations**

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

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

***Budgetary Process (Continued)***

**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 commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 4.

***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.

***Property, Plant, and Equipment***

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

***Accumulated Leave***

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

***Fund Balance***

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

**Nonspendable** – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

***Fund Balance (Continued)***

**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 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 ordinance, or by State Statute.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (unassigned) amounts are available.

**3. COMPLIANCE**

Contrary to ORC 5705.39, the Village had funds where appropriations exceeded estimated resources.

Contrary to ORC 5705.41(D), the Village made expenditures prior to certification.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2018 is as follows:

<b>2018 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 38,988	\$ 42,030	\$ 3,042
Special Revenue	28,145	43,558	15,413
Enterprise	215,300	205,856	(9,444)
Total	\$ 282,433	\$ 291,444	\$ 9,011

<b>2018 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 48,907	\$ 36,919	\$ 11,988
Special Revenue	50,657	26,207	24,450
Capital Projects	53	-	53
Enterprise	238,036	193,185	44,851
Total	\$ 337,653	\$ 256,311	\$ 81,342

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**5. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2018</u>
Demand Deposits	<u>\$ 158,226</u>

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

**6. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by 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.

**7. RISK MANAGEMENT**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village pays the State Workers' Compensation System a premium based on a rate of per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

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.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**7. RISK MANAGEMENT (Continued)**

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016 the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 2, 2017, the OPRM retained 47% of the premium and losses of the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 764 members as of December 31, 2017.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2017 (latest information available).

	2017
Assets	<u>\$14,853,620</u>
Liabilities	<u>(9,561,108)</u>
Retained Earnings	<u>\$ 5,292,512</u>

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

**8. DEFINED BENEFIT PENSION PLAN**

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10.00% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2018.

*Social Security*

Several 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, 2018.

**9. POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits.



**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**10. DEBT**

Debt outstanding at December 31, 2018 was as follows:

	2018 Principal	%
USDA Bonds-Dump Truck	\$ 22,200	2.875
OPWC #CN27C Waterline project	12,936	0.000
Total	\$ 35,136	

The Ohio Public Works Commission (OPWC) Loan #CN27C relates to the Culbertson Drive water line replacement project. The loan was issued in 2000 for \$64,725 for a period of 20 years. The Village will repay the loan in semiannual payments from the Water Fund. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Village, on May 16, 2016, issued bonds from the United State Department of Agriculture (USDA) in the amount of \$27,000 to purchase a dump truck to be used for Village operations. It will be repaid in annual installments from the Street Fund over 10 years. The bonds are collateralized by the dump truck

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

Year	USDA Bonds	OPWC #CN27C
2019	\$ 3,138	\$ 2,874
2020	3,166	2,874
2021	3,091	2,874
2022	3,217	2,874
2023	3,136	1,440
2024-2029	9,418	-
Total	\$ 25,166	\$ 12,936

**11. PUBLIC ENTITY RISK POOL**

The Township belongs to the Ohio Government Risk Management Plan (the Plan) an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management plan. Member governments pay annual premiums to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

**12. RESTATEMENT OF FUND BALANCE**

Fund balance in the General and Enterprise Funds have been restated for the year beginning January 1, 2018 as voided checks were added back:

	General Fund	Enterprise
Fund Balance at December 31, 2017	\$ 7,618	\$ 94,766
Adjustments	9	45
Fund Balance at January 1, 2018	\$ 7,627	\$ 94,811

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts</b>				
Property Tax and Other Local Taxes	\$ 16,919	\$ 9,003	\$ -	\$ 25,922
Intergovernmental Receipts	22,163	18,712	-	40,875
Special Assessments	365	-	-	365
Charges for Services	-	6,000	-	6,000
Fines, Licenses, and Permits	-	13,181	-	13,181
Earnings on Investments	41	14	-	55
Miscellaneous	543	-	-	543
<b>Total Cash Receipts</b>	<u>40,031</u>	<u>46,910</u>	<u>-</u>	<u>86,941</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	14,416	22,843	-	37,259
Community Environment	4,200	-	-	4,200
Transportation	-	12,850	-	12,850
General Government	18,641	-	-	18,641
Debt Service:				
Principal	800	2,028	-	2,828
Interest	255	159	-	414
Capital Outlay	-	5,981	19,574	25,555
<b>Total Cash Disbursements</b>	<u>38,312</u>	<u>43,861</u>	<u>19,574</u>	<u>101,747</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	1,719	3,049	(19,574)	(14,806)
<b>Other Financing Receipts/(Disbursements)</b>				
Sale of Capital Assets	-	6,500	-	6,500
Advances In	5,161	5,161	-	10,322
Advances Out	(5,161)	(5,161)	-	(10,322)
Other Financing Sources	3,654	150	-	3,804
Other Financing Uses	(14,377)	(222)	-	(14,599)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(10,723)</u>	<u>6,428</u>	<u>-</u>	<u>(4,295)</u>
<b>Special Item</b>	2,560	-	-	2,560
<b>Net Change in Fund Cash Balance</b>	(6,444)	9,477	(19,574)	(16,541)
<b>Fund Cash Balances, January 1, 2017</b>	<u>14,062</u>	<u>11,125</u>	<u>19,627</u>	<u>44,814</u>
<b>Fund Cash Balances, December 31, 2017</b>				
Restricted	-	20,602	53	20,655
Unassigned (Deficit)	7,618	-	-	7,618
<b>Fund Cash Balances, December 31, 2017</b>	<u>\$ 7,618</u>	<u>\$ 20,602</u>	<u>\$ 53</u>	<u>\$ 28,273</u>

See notes to financial statements.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Proprietary</b>
	<b>Enterprise Fund</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 198,492
<b>Total Operating Cash Receipts</b>	198,492
<b>Operating Cash Disbursements:</b>	
Personal Services	47,049
Fringe Benefits	6,209
Contractual Services	81,870
Supplies and Materials	23,105
<b>Total Operating Cash Disbursements</b>	158,233
Operating Income/(Loss)	40,259
<b>Non-Operating Cash Receipts (Disbursements):</b>	
Special Assessments	433
Redemption of Principal	(5,355)
Interest and Fiscal Charges	(511)
<b>Total Non-Operating Cash Receipts (Disbursements)</b>	(5,433)
<b>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</b>	34,826
<b>Special Item</b>	345
<b>Net Receipts Over/(Under) Disbursements</b>	35,171
<b>Fund Cash Balances, January 1</b>	59,595
<b>Fund Cash Balances, December 31</b>	\$ 94,766

See notes to financial statements.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of New Athens, Harrison County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, street repair and maintenance, and police protection. The Village contracts with the New Athens Volunteer Fire Department to provide fire protection services.

The Village participates in the Ohio Plan Risk Management public entity risk pool. Note 8 to the financial statements provides additional information for these entities.

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

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

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

**Governmental Funds**

**General Fund**

The General fund is the operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

**Police Fund** - This fund receives fines, licenses and permits to fund police operations.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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

**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:

Capital Project Fund – This fund receives proceeds from the Ohio Public Works Commission (OPWC) and Ohio Water Development Authority (OWDA) being loans or grants. The proceeds are being used for waterline replacement and wastewater system projects.

**Enterprise Funds**

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

**Water Fund** – This fund receives charges for services from residents to cover water service costs.

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

***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 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 117-2-03(D) permit.

***Budgetary Process***

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

**Appropriations**

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

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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

***Budgetary Process (Continued)***

**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 commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2017 budgetary activity appears in Note 4.

***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.

***Property, Plant, and Equipment***

Acquisition of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

***Accumulated Leave***

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

***Fund Balance***

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

**Nonspendable** – The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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

***Fund Balance (Continued)***

**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 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 ordinance, or by State Statute.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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 (unassigned) amounts are available.

**3. COMPLIANCE**

Contrary to ORC 5705.39, the Village had funds where appropriations exceeded estimated resources.

Contrary to ORC 5705.41(D), the Village made expenditures prior to certification.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2017 is as follows:

<b>2017 Budgeted vs. Actual Receipts</b>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 45,950	\$ 46,245	\$ 295
Special Revenue	53,095	53,560	465
Enterprise	205,222	199,270	(5,952)
Total	<u>\$ 304,267</u>	<u>\$ 299,075</u>	<u>\$ (5,192)</u>

<b>2017 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 56,708	\$ 52,689	\$ 4,019
Special Revenue	44,279	44,083	196
Capital Projects	20,574	19,574	1,000
Enterprise	248,694	164,099	84,595
Total	<u>\$ 370,255</u>	<u>\$ 280,445</u>	<u>\$ 89,810</u>

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**5. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2017
Demand Deposits	<u>\$ 123,039</u>

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

**6. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by 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.

**7. INTERFUND BALANCES**

Outstanding advances at December 31, 2017, consisted of \$5,161 advanced to the Police Special Revenue fund to provide working capital for operations.

**8. RISK MANAGEMENT**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village pays the State Workers' Compensation System a premium based on a rate of per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

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.



**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**8. RISK MANAGEMENT (Continued)**

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2016 the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Effective November 2, 2017, the OPRM retained 47% of the premium and losses of the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 764 members as of December 31, 2017.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2017.

	2017
Assets	<u>\$14,853,620</u>
Liabilities	<u>(9,561,108)</u>
Retained Earnings	<u>\$ 5,292,512</u>

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

**9. DEFINED BENEFIT PENSION PLAN**

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

The Ohio Revised Code also prescribes contribution rates. For 2017, OPERS members contributed 10.00% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2017.

*Social Security*

Several 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, 2017.

**10. 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. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**11. DEBT**

Debt outstanding at December 31, 2017 was as follows:

	2017 Principal	%
USDA Bonds-Dump Truck	\$ 24,600	2.875
OPWC #CN26A Wastewater plant	2,317	0.000
OPWC #CN27C Waterline project	17,247	0.000
Total	\$ 44,164	

The Ohio Public Works Commission (OPWC) Loan #CN26A relates to the construction of a wastewater treatment plant. This loan was approved and issued on July 1, 1997 in the amount of \$46,350. The loan is for 20 years at a zero percent interest rate. The loan will be repaid in semi-annual installments from the Sewer Fund. The Village's taxing authority collateralizes the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. The balance at January 1, 2017 was restated to \$2,028.

The Ohio Public Works Commission (OPWC) Loan #CN27C relates to the Culbertson Drive water line replacement project. The loan was issued in 2000 for \$64,725 for a period of 20 years. The Village will repay the loan in semiannual payments from the Water Fund. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Village, on May 16, 2016, issued bonds from the United State Department of Agriculture (USDA) in the amount of \$27,000 to purchase a dump truck to be used for Village operations. It will be repaid in annual installments from the Street Fund over 10 years. The bonds are collateralized by the dump truck

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

Year	USDA Bonds	OPWC #CN26A	OPWC #CN27C
2018	\$ 3,107	\$ 2,317	\$ 2,874
2019	3,138	-	2,874
2020	3,166	-	2,874
2021	3,091	-	2,874
2022	3,217	-	2,874
2023-2028	12,554	-	2,877
Total	\$ 28,273	\$ 2,317	\$ 17,247

**12. PUBLIC ENTITY RISK POOL**

The Township belongs to the Ohio Government Risk Management Plan (the Plan) an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management plan. Member governments pay annual premiums to fund the Plan. The Plan pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Village of New Athens  
Harrison County  
P.O. Box 126  
New Athens, Ohio 43981

To the Village Council:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of New Athens, Harrison County as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated June 15, 2019, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the first 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 a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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. 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. We consider Findings 2018-001 and 2018-003 described in the accompanying schedule of findings to be a material weakness.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Village of New Athens'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 was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed two instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-002 and 2018-003.

***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.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 15, 2019

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017**

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

**FINDING NUMBER 2018-001**

**Material Weakness-Transaction Posting**

Our receipt and expenditure testing revealed that the Village recorded several transactions incorrectly. Mistpostings identified included, but were not limited to, the following:

- In 2017, a reclassification of \$4,294 was made from Property and Local Taxes to Intergovernmental Revenue in the General Fund.
- In 2017, a reclassification of \$648 was made from Other Financing Uses to General Government for the General Fund.
- In 2017, a reclassification was made of \$1,055 from Other Financing Uses to Principal Retirement in the amount of \$800 and to Interest and Fiscal Charges in the amount of \$255 in the General Fund.
- In 2017, a reclassification of \$12,500 was made from Other Financing Sources to Sale of Capital Assets in the amount of \$6,500 and to Charges for Services in the amount of \$6,000 in the Police Special Revenue Fund.
- In 2017, a reclassification was made of \$5,981 from Other Financing Uses to Capital Outlay in the Police Special Revenue Fund.
- In 2017, a reclassification of \$1,055 was made from General Government to Principal Retirement in the amount of \$800 in the General Fund and Interest and Fiscal Charges in the amount of \$255 in the General Fund.
- In 2017, a reclassification of \$2,187 was made from General Government to Principal Retirement in the amount of \$2,028 and Interest and Fiscal Charges in the amount of \$159 in the Police Special Revenue Fund.
- In 2017, a reclassification of \$4,810 and \$1,056 was made from Contractual Service and Supplies & Materials, respectively, to Principal Retirement in the amount of \$5,355 and to Interest and Fiscal Charges in the amount of \$511 in the Enterprise Funds.
- In 2018, an adjustment was made to properly allocate Rollbacks to the proper fund resulting in a fund cash balance decrease of \$1,963 in the General Fund and an increase in cash fund balance for the Police Special Revenue Fund.
- In 2018, an adjustment was made to properly allocate gasoline tax monies to the proper funds resulting in a cash fund balance decrease of \$339 in the Street Fund and a cash fund balance increase in the State Highway Fund.
- In 2018, a reclassification was made of \$6,535 from Property and Other Taxes to Intergovernmental Revenue in the General Fund.
- In 2018, a reclassification was made of \$6,000 from Other Financing Sources to Charges for Services in the Police Special Revenue Fund.
- In 2018, a reclassification of \$1,035 was made from General Government to Principal Retirement in the amount of \$800 in the General Fund and Interest and Fiscal Charges in the amount of \$235 in the General Fund.
- In 2018, a reclassification of \$2,072 was made from Contractual Service to Principal Retirement in the amount of \$1,600 and to Interest and Fiscal Charges in the amount of \$472 in the Enterprise Funds.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017**

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

**FINDING NUMBER 2018-001**

The Village should review the Village’s Handbook and exercise due care when posting transactions to help ensure receipts and disbursements are posted to the correct fund and account. Additionally, the Village Council should review monthly receipt and disbursement activity reports to help ensure transactions are properly accounted for and classified. This will help more accurately reflect the Village’s financial activity and will aid in more accurate financial reporting.

**Client Response:** We received no response from client.

**FINDING NUMBER 2018-002**

**Noncompliance Appropriations exceeding Estimated Resources**

Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission. In addition, no appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total estimate or amended official estimate.

Fund	Year	Estimated Resources	Appropriations	Variance
Police	2018	\$ 9,585	\$ 21,816	\$ (12,231)
Permissive MVL	2017	6,352	7,800	(1,448)

We recommend Council review estimated resources versus appropriations throughout the year. Also, Council should not approve appropriations greater than estimated resources. This could result in the Village spending more money than it receives and could cause possible negative fund balances.

**Client Response:** We received no response from client.

**FINDING NUMBER 2018-003**

**Noncompliance and Material Weakness**

Ohio Administrative Code Section 117-2-02(A) states that all local public offices shall maintain an accounting system and accounting records sufficient to enable public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Throughout the period, several instances of incomplete voucher packages were found when testing disbursements. The voucher package should include a check stub, invoice, and a reference to the purchase order. During testing, there were incomplete packages that caused us to have to perform additional audit procedures to verify the expenditures. We recommend that due care should be taken to ensure completeness of the records related to the disbursement.

**Client Response:** We received no response from the client.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017**

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

**FINDING NUMBER 2018-004**

**Noncompliance and Material Weakness**

Ohio Revised Code Section 117.38 states, in part, that each public office shall file a financial report each fiscal year. The Auditor of State (AOS) may prescribe forms by rule or may issue guidelines, or both, for such reports. However, if the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

The report shall contain the following: (A) amount of collections and receipts, and accounts due from each source; (B) amount of expenditures for each purpose, (C) income of any public service industry owned or operated by a municipal corporation, and the cost of such ownership or operation; and (D) amount of public debt of each taxing district, the purpose of the debt, and how the debt will be repaid.

The notes to the financial statements required significant revisions, which were agreed to by the Village management and are reflected in the accompanying notes to the financial statements. We noted the following:

- No budgetary information was included in footnotes for 2018 and 2017.
- Debt footnote was missing in 2018 and did not include proper information for 2017.
- Risk management footnote did not contain all information.
- No Cash footnote for 2018 or 2017.

The Village did not have an internal control process in place to help ensure the notes to the financial statements filed on the AOS HINKLE system were complete and accurate.

The Village should file complete and accurate annual financial reports with the Auditor of State. The Village should utilize the financial statement and footnote shells available on the AOS website at <http://www.ohioauditor.gov/references/shells.html> to help ensure all material note disclosures are included in the financial reporting package.

**Client Response:** We received no response from client.

**VILLAGE OF NEW ATHENS  
HARRISON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2018**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2016-001	Noncompliance/Material Weakness ORC 733.28 and OAC 117-2-02(A) Accounting records were not accurate or complete.	No	Repeated as Finding 2018-001
2016-002	Noncompliance/Material Weakness ORC 5705.41(B) expenditures exceeding appropriation authority	No	Repeated as Finding 2018-002



OHIO AUDITOR OF STATE  
**KEITH FABER**



**VILLAGE OF NEW ATHENS**

**HARRISON 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  
NOVEMBER 26, 2019**