

Village of Coal Grove
Lawrence County
Regular Audit
For the Year Ended December 31, 2014



Millhuff-Stang

CERTIFIED PUBLIC ACCOUNTANT

Millhuff-Stang, CPA, Inc.
1428 Gallia Street, Portsmouth, Ohio 45662 / Phone: 740.876.8548
45 West Second Street, Suite D, Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549

natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com



Dave Yost • Auditor of State

Members of Council
Village of Coal Grove
513 Carlton Davidson Lane
Coal Grove, Ohio 45638

We have reviewed the Independent Auditor's Report of the Village of Coal Grove, Lawrence County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2014 through December 31, 2014. 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 Repaid Under Audit

During the financial statement audits for 2012 and 2013, errors in leave balances were identified that were not corrected in the accounting system. These unadjusted errors resulted in the January 1, 2014 leave balances and employee leave balances on pay stubs to be inaccurate. Due to this, there were four employees who took more leave than they actually had available resulting in an overpayment:

Employee	Hours Used	Overpayment	Fund
William Spurlock	8	\$150.00	1000 – General
Mark Dean	20	\$353.80	5101 – Water Operating
Brian Bryant	24	346.32	5101 – Water Operating
Steve Patton	20	279.80	2011 – Street Construction Maintenance & Repair

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against William Spurlock in the amount of \$150 in favor of the Village of Coal Grove's General Fund; Mark Dean in the amount of \$353 in favor of the Village of Coal Grove's Water Operating Fund; Brian Bryant in the amount of \$346 in favor of the Village of Coal Grove's Water Operating Fund; and Steve Patton in the amount of \$279 in favor of the Village of Coal Grove's Street Construction Maintenance & Repair Fund.

On June 6, 2016, Mark Dean paid the Village of Coal Grove's Water Operating Fund in the amount of \$353.80. His finding is paid in full.

On June 7, 2016, William Spurlock's current leave balance was decreased by 8 hours, Brian Bryant's current leave balance was decreased by 24 hours, and Steve Patton's current leave balance was decreased by 20 hours by the Village's Fiscal Officer. These adjustments to these employees' leave balance resulted in the findings above against the individuals to be resolved.

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 Coal Grove is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looped initial "D".

Dave Yost
Auditor of State

June 20, 2016

Village of Coal Grove
Lawrence County
Table of Contents
For the Year Ended December 31, 2014

Title	Page
Independent Auditor’s Report.....	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types.....	4
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) – All Proprietary and Fiduciary Fund Types.....	5
Notes to the Financial Statements.....	6
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	14
Schedule of Findings and Responses.....	16
Schedule of Prior Audit Findings.....	22

Independent Auditor's Report

Village Council
Village of Coal Grove
513 Carlton Davidson Lane
Coal Grove, Ohio 45638

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 Coal Grove, Lawrence County, Ohio (the Village) as of and for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Village of Coal Grove
Lawrence County
Independent Auditor's Report

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 use to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Additional Opinion Qualification* and *Unmodified Opinion* paragraphs below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2014, or changes in financial position or cash flows thereof for the year then ended.

Basis for Additional Opinion Qualification

Non-payroll disbursements are reported as follows for the year ended December 31, 2014: special revenue funds in the amount of \$45,270, or 40% of total special revenue funds' disbursements. Payroll disbursements are reported as follows for the year ended December 31, 2014: general fund in the amount of \$371,033, or 61% of total general fund disbursements; special revenue funds in the amount of \$67,244, or 60% of total special revenue funds' disbursements; and enterprise funds in the amount of \$532,298, or 62% of total enterprise funds' disbursements. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as non-payroll disbursements for special revenue funds or payroll disbursements for the general fund, special revenue funds, or enterprise funds. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Additional Opinion Qualification

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* paragraph, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Coal Grove, Lawrence County, Ohio, as of December 31, 2014, and its combined cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Capital Projects and Fiduciary Fund Types of the Village of Coal Grove, Lawrence County, Ohio, as of December 31, 2014, and its combined cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Village of Coal Grove
Lawrence County
Independent Auditor's Report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2016 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.



Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.

March 17, 2016

Village of Coal Grove
Lawrence County
Combined Statement of Receipts, Disbursements and
Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2014

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property and Other Local Taxes	\$32,979	\$0	\$0	\$32,979
Municipal Income Tax	261,335	0	0	261,335
Intergovernmental	28,227	98,763	0	126,990
Special Assessments	0	0	92,527	92,527
Charges for Services	1,935	0	0	1,935
Fines, Licenses and Permits	264,039	550	0	264,589
Miscellaneous	52,712	0	0	52,712
Total Cash Receipts	641,227	99,313	92,527	833,067
Cash Disbursements:				
Current:				
Security of Persons and Property	397,497	0	0	397,497
Public Health Services	17,345	619	0	17,964
Leisure Time Activities	5,051	0	0	5,051
Community Environment	2,469	0	0	2,469
Basic Utility Services	0	0	13,370	13,370
Transportation	0	101,321	0	101,321
General Government	183,871	0	0	183,871
Capital Outlay	471	100	62,500	63,071
Debt Service:				
Principal Retirement	0	10,000	0	10,000
Interest and Fiscal Charges	0	455	0	455
Total Cash Disbursements	606,704	112,495	75,870	795,069
Excess of Receipts Over (Under) Disbursements	34,523	(13,182)	16,657	37,998
Other Financing Receipts (Disbursements):				
Transfers In	0	1,946	0	1,946
Advances In	45,000	0	0	45,000
Transfers Out	(1,946)	0	0	(1,946)
Total Other Financing Receipts (Disbursements)	43,054	1,946	0	45,000
Net Change in Fund Cash Balance	77,577	(11,236)	16,657	82,998
Fund Cash Balances, January 1	40,624	56,976	107,713	205,313
Restricted	0	45,211	0	45,211
Committed	0	0	124,370	124,370
Assigned	25,670	529	0	26,199
Unassigned	92,531	0	0	92,531
Fund Cash Balances, December 31	\$118,201	\$45,740	\$124,370	\$288,311

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

Village of Coal Grove
Lawrence County
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
All Proprietary and Fiduciary Fund Types
For the Year Ended December 31, 2014

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
Operating Cash Receipts:			
Charges for Services	\$859,764	\$0	\$859,764
Total Operating Cash Receipts	859,764	0	859,764
Operating Cash Disbursements:			
Personal Services	307,285	0	307,285
Employee Fringe Benefits	199,736	0	199,736
Contractual Services	163,924	0	163,924
Supplies and Materials	83,840	0	83,840
Other	19,152	0	19,152
Total Operating Cash Disbursements	773,937	0	773,937
Operating Income	85,827	0	85,827
Non-Operating Receipts (Disbursements):			
Special Assessments	51,801	0	51,801
Miscellaneous	380	0	380
Principal Retirement	(20,694)	0	(20,694)
Interest and Fiscal Charges	(16,507)	0	(16,507)
Other Financing Sources	2,375	252,641	255,016
Other Financing Uses	0	(247,129)	(247,129)
Total Non-Operating Receipts (Disbursements)	17,355	5,512	22,867
Income Before Interfund Advances	103,182	5,512	108,694
Advances Out	(45,000)	0	(45,000)
Net Change in Fund Cash Balances	58,182	5,512	63,694
Fund Cash Balances, January 1	66,631	17,030	83,661
Fund Cash Balances, December 31	\$124,813	\$22,542	\$147,355

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

Village of Coal Grove
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Coal Grove, Lawrence 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, water and sewer utilities, maintenance of Village roads and bridges, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department.

The Village participates in a public entity risk pool. Note 8 to the financial statements provides additional information for this entity. This organization is the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (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). OPRM is legally separate from its member governments.

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

Accounting Basis

These financial statements follow the accounting basis the Auditor of State of Ohio prescribes or permits. 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 Auditor of State prescribes or permits.

Deposits and Investments

The Village has no investments.

Fund Accounting

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

General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

These funds account for proceeds from specific sources (other than those from private-purpose trusts or for capital projects) that are restricted or committed to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Street Fund – This fund receives gasoline tax and motor vehicle license tax monies for constructing, maintaining, and repairing Village streets.

Village of Coal Grove
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

Capital Projects 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 Projects Fund:

Capital Improvement Fund – This fund receives a user fee that residents pay through utility billings which is used for any capital improvements, and related supplies, materials, and equipment necessary to safely and efficiently operate the Village’s utility department.

Enterprise Funds

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

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

Sewer Fund – This fund receives charges for services from residents and businesses to cover sewer service costs.

Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village’s own programs. The Village does not have any private purpose trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village’s agency fund accounts for the Mayor’s Court.

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. Unencumbered appropriations lapse at year-end.

Estimated Resources

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

Village of Coal Grove
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

Encumbrances

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

A summary of the 2014 budgetary activity appears in Note 3.

Fund Balance

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State statute.

Unassigned

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

Village of Coal Grove
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (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.

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.

Accumulated Leave

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

Note 2 – Equity in Pooled Deposits

The Village maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2014
Demand Deposits	\$435,666

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution’s public entity deposit pool.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2014 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$853,193	\$641,227	(\$211,966)
Special Revenue	151,198	101,259	(49,939)
Capital Projects	265,118	92,527	(172,591)
Enterprise	1,232,484	914,320	(318,164)
Total	\$2,501,993	\$1,749,333	(\$752,660)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$871,979	\$634,320	\$237,659
Special Revenue	149,722	113,552	36,170
Capital Projects	265,118	78,424	186,694
Enterprise	1,147,659	875,346	272,313
Total	\$2,434,478	\$1,701,642	\$732,836

Village of Coal Grove
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 4 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

Note 5 – Local Income Tax

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

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

Note 6 – Debt

Debt outstanding at December 31, 2014 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
1990 Special Assessments Bond	\$262,500	5.00%
2010 OWDA Loan (5252)	77,007	0.00%
2012 OWDA Loan (5824)	256,353	2.00%
2012 Bond Anticipation Note	10,000	2.25%
Total	<u>\$605,860</u>	

The special assessment bonds were obtained for the purpose of paying the costs of constructing improvement to the Village's wastewater system. Special assessments are being levied for the repayment of this issuance. The full faith, credit and revenue of the Village are pledged for the payment of this issue.

In 2009, the Village began a water system improvement project which included an OWDA loan, totaling \$90,596, and American Recovery Reinvestment Act (ARRA) OWDA principal forgiveness (e.g. grant) monies, totaling \$361,124. The loan has a 0% interest rate for 30 years. The Village has agreed to set utility rates to cover OWDA debt service requirements.

In 2011, the Village began a water system improvement project which included an OWDA loan, totaling \$452,121, which is comprised of \$178,689, which was forgiven in 2011 under OWDA's principal forgiveness program, and \$273,432, which the Village is responsible for repaying. The loan has a 2.0% interest rate for 30 years. The Village has agreed to set utility rates to cover OWDA debt service requirements.

Village of Coal Grove
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 6 – Debt (Continued)

The bond anticipation note originated for \$150,000 for the purchase of a wood chipper, a tractor, and to pave streets in disrepair. A \$10,000 payment to principal plus the interest is paid each year. The bond anticipation note is backed by the full faith and credit of the Village and matures in 2015.

In 2014, the Ohio Public Works Commission awarded the Village a \$127,000 loan with a 20 year term and a 0.00% interest rate. As of December 31, 2014, the Village had not drawn any of these funds. As such, a repayment schedule has not yet been established.

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

Year Ending December 31:	OWDA	Special Assessment Bonds	Bond Anticipation Note
2015	\$15,185	\$29,625	\$10,225
2016	15,185	29,600	0
2017	15,185	29,635	0
2018	15,185	29,625	0
2019	15,185	29,500	0
2020-2024	75,923	148,095	0
2025-2029	75,923	88,930	0
2030-2034	75,923	0	0
2035-2039	75,923	0	0
2040-2042	31,922	0	0
Total	<u>\$411,539</u>	<u>\$385,010</u>	<u>\$10,225</u>

Note 7 - Retirement Systems

The Village’s full-time police officers belong to the Ohio Police & Fire Pension Fund (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans’ benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. For 2014, OPERS members contributed 10% of their gross salaries, with the Village contributing an amount equal to 14% of participants’ gross salaries. The Village has paid all contributions required through December 31, 2014.

Note 8 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (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 Coal Grove
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 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, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan’s property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 783 members as of December 31, 2014.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

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, 2014.

	2014
Assets	<u>\$14,830,185</u>
Liabilities	<u>(8,942,504)</u>
Members’ Equity	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

Note 9 – Contingent Liabilities

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

The Village currently has outstanding I.R.S. taxes and penalties for taxable year 2012 in the amount of \$46,257.42. The Fiscal Officer and legal counsel are currently negotiating with the I.R.S., but a final determination has not yet been made.

Note 10 – Subsequent Event

In 2014, the Village was awarded a \$300,000 grant and a \$127,000 loan from OPWC for the purpose of water system improvements. None of the grant or loan proceeds were spent in 2014 and only \$122,585 of the grant proceeds have been subsequently spent. The Village anticipates spending the remaining grant and loan proceeds in 2016.

Village of Coal Grove
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 11 – Compliance

The Village did not properly maintain minutes, resolutions, or ordinances, nor were minutes prepared in sufficient detail, contrary to Ohio Revised Code Sections 733.27(A) and 121.22(C).

The Village did not properly maintain accounting records, which included inaccurate/incomplete bank reconciliations, unrecorded financial transactions, and various errors in financial transactions entered into the accounting system, which is contrary to Ohio Revised Code Section 733.28 and Ohio Administrative Code Section 117-2-02(A).

The Village did not properly report payroll information or remit retirement withholdings/contributions to its Retirement Systems, which is contrary to Ohio Revised Code Section 145.47(B).

The Village had appropriations in excess of estimated resources in various funds, which is contrary to Ohio Revised Code Section 5705.39.

The Village did not properly certify funds prior to commitment of purchase for several transactions, which is contrary to Ohio Revised Code Section 5705.41(D).

Council was not able to properly monitor the Village's financial condition due to lack of sufficient management reports provided by the Fiscal Officer at regular Council meetings, which is contrary to Council resolution.

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

Village Council
Village of Coal Grove
513 Carlton Davidson Lane
Coal Grove, Ohio 45638

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Village of Coal Grove, Lawrence County, Ohio (the Village) as of and for the year ended December 31, 2014, and the related notes to the financial statements and have issued our report thereon dated March 17, 2016, 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. We also qualified our opinion due to the lack of sufficient appropriate audit evidence supporting the amounts recorded as non-payroll disbursements for the special revenue funds and as payroll disbursements for the general fund, special revenue funds, and enterprise funds.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2014-002, 2014-003, 2014-006, and 2014-008 through 2014-010, that we consider to be material weaknesses.

Village of Coal Grove
Lawrence County

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

Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2014-001 through 2014-005 and 2014-007.

Village' Responses to Findings

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

Purpose of This Report

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



Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.

March 17, 2016

Village of Coal Grove
Lawrence County
Schedule of Findings and Responses
For the Year Ended December 31, 2014

Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

Finding 2014-001 – Noncompliance – Maintenance of Official Record

Ohio Revised Code Section 733.27(A) states that the Village Clerk shall attend all meetings of the legislative authority of the Village and keep a record of its proceedings (minutes) and of all rules, bylaws, resolutions, and ordinances passed or adopted, which shall be subject to the inspection of all persons interested. In case of absence of the Clerk, such legislative authority shall appoint one of its members to perform the Clerk's duties.

Ohio Revised Code Section 121.22(C) states, in part, that 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.

During the course of testing, we noted that the Village minute book did not contain minutes for several of the meetings held by Council. We noted that minutes were approved by Council but were not signed by the Mayor and the Fiscal Officer. We noted, per inquiry of the Mayor's Court Clerk, that monthly Mayor's Court reports are being provided to Council during the meetings but that there is no documentation of this in the minutes. We noted that resolutions and ordinances were not prepared, filed and maintained in the respective resolution and ordinance books. We noted that the Village does not document which members were present when there is a lack of quorum, however these members appear to still receive payment for those meetings.

Failure to maintain a sufficiently detailed minute record, in addition to records of resolutions and ordinances, results in the lack of permanent documentation of all official actions of Council. Further, failure to obtain signatures of the Mayor and Fiscal Officer could result in questions regarding the authenticity of the minutes and the official actions approved by Council.

The Village should implement the appropriate procedures to ensure that minutes, resolutions, and ordinances reflect all official actions of Council in sufficient detail, including being signed by the Mayor and Fiscal Officer after Council approval.

Client Response:

The current fiscal officer began working for the Village in September 2015, is aware of the bookkeeping issues issue, and has properly handled all minutes, ordinances, and resolutions since taking office.

Finding 2014-002 – Noncompliance/Material Weakness – Bank Reconciliations and Financial Reporting

Ohio Revised Code Section 733.28 requires the Village Clerk to maintain the books of the Village and exhibit accurate statements of all monies received and expended. Ohio Administrative Code Section 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the 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. Per Ohio Administrative Code Section 117-2-02(D), accounting records that can help achieve these objectives include:

- Cash journal, which typically includes the amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
- Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of payer, purpose, receipt number, and other information required for such transactions to be recorded in this ledger.
- Appropriations ledger, which assembles and classifies disbursements into separate accounts, for at a minimum, each account listed in the appropriations resolution. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, and any other information required may be entered in the appropriate columns.

Village of Coal Grove
Lawrence County
Schedule of Findings and Responses
For the Year Ended December 31, 2014

Finding 2014-002 – Noncompliance/Material Weakness – Bank Reconciliations and Financial Reporting (Continued)

The Village lacked management controls to maintain an accounting system and accounting records sufficient to enable the Village to identify, assemble, analyze, classify, record, and report its transactions and prepare financial statements as evidenced by the following conditions:

Bank Reconciliation Inaccuracies

The Village utilizes the UAN accounting system which provides all of the required journals and ledgers. The UAN software also includes a monthly reconciliation process to assist the Fiscal Officer in the monthly book to bank reconciliation. However, the monthly reconciliations included in the accounting records were not accurate. The Village was not reconciled throughout the year as there were receipts and disbursements not recorded within the system. The Village contracted with Local Government Services to perform a proof of cash to get the Village reconciled as of year-end. During testing, we also noted that the water and the payroll tax clearing accounts were not reconciled throughout the year.

The Fiscal Officer should prepare monthly book to bank reconciliations in a timely manner and should immediately follow up on any discrepancies noted in the reconciliation process. In addition, the Fiscal Officer should ensure that the reconciliation include all bank accounts of the Village to ensure completeness of the financial records. This will allow the Village to maintain accurate records which Council can rely on for budgeting and planning purposes.

Errors in Financial Reporting

During the course of testing, we noted the Fiscal Officer recorded various receipts and disbursements in incorrect funds or classifications. In addition, we noted a number of receipts and disbursements were not recorded and instances of double-posting of some receipts and disbursements. The accompanying financial statements were adjusted to reflect correction of the various errors identified during audit and the auditor confirmed correction was made to the accounting system for applicable items.

The Village should implement procedures to ensure that financial records and the financial statements are properly presented.

Client Response:

The current fiscal officer began working for the Village in September 2015, is aware of the reconciliation and posting issues, and is working to correct them.

Finding 2014-003 – Noncompliance/Material Weakness – Retirement Reports and Remittances

Ohio Revised Code Section 145.47(B) provides, in part, that the Fiscal Officer of each local authority subject to this chapter shall transmit to the System for each contributor subsequent to the date of coverage an amount equal to the applicable percent of each contributor's earnable salary at such intervals and in such form as the System shall require. The head of each State department and the Fiscal Officer of each local authority subject to this chapter shall transmit promptly to the System a report of contributions at such intervals and in such form as the System shall require, showing thereon all the contributions and earnable salary of each contributor employed, together with warrants, checks, or electronic payments covering the total of such deductions. A penalty shall be added when such report, together with warrants, checks, or electronic payments to cover the total amount due from the earnable salary of all amenable employees of such employer, is filed thirty or more days after the last day of such reporting period.

Village of Coal Grove
Lawrence County
Schedule of Findings and Responses
For the Year Ended December 31, 2014

Finding 2014-003 – Noncompliance/Material Weakness – Retirement Reports and Remittances (Continued)

During the course of testing, we noted that Ohio Public Employees Retirement System payroll reports for the month of November 2014 were not submitted until January 3, 2015. In addition, the withholdings (including both the employee and employer share) for November 2014 were not remitted until January 3, 2015 via electronic fund transfer.

In addition, Ohio Police and Fire Pension Fund payroll reports for the months of January and February 2014 were not submitted until April 3, 2014 and reports for March 2014 were not submitted until May 6, 2014. Also, the withholdings (including both the employee and employer share) for the months of January and February 2014 were not remitted until April 3, 2014, and the withholdings for March 2014 were not remitted until May 6, 2014.

The Village should implement procedures to ensure the Fiscal Officer files the required reports and remits the necessary payments when he completes the payroll for the last pay period of the month. This will ensure the Village does not incur unnecessary penalties and interest.

Client Response:

The current fiscal officer began working for the Village in September 2015. Since his appointment, all pension contribution reports have been filed and payments have been made in a timely manner.

Finding 2014-004 – Noncompliance – Appropriations in Excess of Estimated Resources

Ohio Revised Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. The Village Council approved temporary and permanent appropriations in 2014, which were filed with the County Auditor's Office. However, appropriations exceeded estimated resources for the General, State Highway, Drug Law Enforcement, Capital Projects, Sewer, and Trash funds. The Village should implement procedures, such as periodic comparison of budgetary information, to ensure that appropriations are limited to estimated resources.

Client Response:

The current fiscal officer began working for the Village in September 2015 and is working to correct this issue.

Finding 2014-005 – Noncompliance – Prior Certification of Funds

Ohio Revised Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. The statute provides the following exception to this basic requirement:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$3,000 for political subdivisions other than counties may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Village of Coal Grove
Lawrence County
Schedule of Findings and Responses
For the Year Ended December 31, 2014

Finding 2014-005 – Noncompliance – Prior Certification of Funds (Continued)

The Village did not properly certify the availability of funds for several of the disbursements tested. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. The Fiscal Officer should certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, “then and now” certification should be used.

Client Response:

The current fiscal officer began working for the Village in September 2015. Since his appointment, he has been very diligent in the issuing of purchase orders.

Finding 2014-006 – Material Weakness – Budgetary Information Within the Accounting System

A budgetary cycle should be in place for all governments. The budgetary process is a plan to coordinate expenditures and resources. The State legislature has adopted laws to control expenditures using tax budgets and appropriations. Budgeting, when properly used, can provide the most important monitoring control a government has. It is impossible to incur a cash deficit if a government complies with the budgetary law. Additionally, the budget is an instrument of public policy. A governing board expresses its desire for using a government’s limited resources through its appropriations.

Accurate budgetary information within the Village’s accounting system is pertinent to ensure that the Village has accurate and complete information for decision-making processes. For 2014, estimated revenue and appropriations recorded in the accounting system did not agree to the certificate of estimated resources or appropriations measures throughout the year. In addition, we noted various other budgetary compliance issues which have been separately reported for this audit. The Fiscal Officer should implement procedures, such as periodic comparisons of formally approved budgets to budgetary information within the accounting system, to ensure the accuracy and completeness of budgetary information upon which Village officials rely for monitoring and planning purposes.

Client Response:

The current fiscal officer began working for the Village in September 2015, is aware of this issue, and is working to correct it.

Finding 2014-007 – Noncompliance – Monitoring Procedures of Council

Council minutes indicate that Council passed a resolution on November 12, 2012 requiring the Fiscal Officer to provide management reports on a monthly basis. The management reports are to include the following financial monitoring items: Bank Reconciliation, Fund Status, Appropriation Summary, Fund Summary, Revenue Summary, Payment Summary, and Payroll Register detail report.

During the course of testing, we noted that bills to be paid for several months were not approved by Council. We noted that the Fiscal Officer failed to provide management reports to Council for these months.

Failure to properly monitor the financial operations of the Village could result in errors and/or irregularities occurring and remaining undetected for an extended period of time. For each regular Council meeting, the Fiscal Officer should follow the resolution approved by Council to provide monthly financial reports for Council to review and approve. Council should carefully review this information and make appropriate inquiries to help determine the continued integrity of financial information. This information also provides important data necessary to manage and monitor the Village’s financial position.

Client Response:

The current fiscal officer began working for the Village in September 2015 and is working to correct this issue.

Village of Coal Grove
Lawrence County
Schedule of Findings and Responses
For the Year Ended December 31, 2014

Finding 2014-008 – Material Weakness – Payroll Items

Sound payroll controls are the responsibility of the Village Clerk/Treasurer and the Village Council and are essential to ensure the accuracy of payments made to employees and to Federal, State and Local agencies as well as to ensure accurate and timely reporting to Federal, State and Local agencies.

During the course of testing, we noted the following deficiencies in the payroll process:

- Hourly overtime rates were not properly calculated in the payroll system.
- Sick and vacation leave balances were not monitored within the payroll system to ensure that all leave earned and taken was properly calculated.
- Timesheets for employees working in several departments did not identify the fund allocation.
- Not all timesheets could be located for audit.
- Withholding reports were not submitted timely for State taxes withheld.
- Retirement reports/withholdings were not timely filed/remitted to the Ohio Public Employers Retirement System and the Ohio Police & Fire Pension Fund which resulted in penalties and interest charges.
- Various instances where employees were not paid in accordance with the number of hours they worked per timesheets (or paystubs for periods that timesheets were not available). Amounts were insignificant.
- Federal and state taxes reported on the Village's Tax Form W-3 did not agree to the payments made by the Village. State taxes were underreported on the Tax form W-3 and federal taxes were underpaid for the year. We did note that the unpaid balance was identified and repaid in April 2015.
- The Village did not have a policy for accrual and use of compensatory time and overtime.

The Village should implement various operating and monitoring procedures to ensure that the above weaknesses, and any other unidentified weaknesses within the payroll process, are timely and sufficiently addressed.

Client Response:

The current fiscal officer began working for the Village in September 2015. He is aware of the multiple issues regarding payroll and leave and is working to correct these issues for the future.

Finding 2014-009 – Material Weakness – Outstanding Advances

The Ohio Revised Code requires that if, after an advance has been made, the taxing authority determines that the transaction should, if fact, be treated as a transfer (repayment is no longer expected), the following procedures should be followed retroactively:

- The necessary formal procedures for approval of the transfer should be completed including, if necessary, approval of the commissioner of tax equalization and of the court of common pleas (in accordance with Ohio Revised Code Sections 5705.14 through 16);
- The transfer should be formally recorded on the records of the subdivision; and
- The entries recording the cash advance should be reversed.

The Village has advances outstanding from previous years that have not been repaid. The Village should implement procedures to ensure it is sufficiently tracking all outstanding advances, and that if it is subsequently determined that the outstanding advances will not repaid, that they take the necessary steps to convert them to transfers.

Client Response:

The current fiscal officer began working for the Village in September 2015, is aware that multiple advances have been made without proper legislation, and is working to ensure this is not a problem in the future.

Village of Coal Grove
Lawrence County
Schedule of Findings and Responses
For the Year Ended December 31, 2014

Finding 2014-010 – Material Weakness – Maintenance of Documentation

Maintenance of proper supporting documentation is pertinent to ensure a proper audit trail is maintained. Such an audit trail helps demonstrate that receipts and disbursements were properly recorded and that disbursements are compliant with applicable laws and regulations and are for a proper public purpose.

During the course of testing, we identified several deficiencies in the maintenance of proper supporting documentation, including:

- Fifteen instances where non-payroll disbursements had incomplete supporting documentation, including ten disbursements where original invoices could not be located. The Village was able to obtain copies of invoices from vendors for seven of those invoices. In addition, we noted two instances where support could not be provided for sampled items in our search for unrecorded encumbrances testing.
- One receipt for fines, licenses, and permits had no supporting documentation attached, although we were able to obtain support from the police department's records.
- Two instances were noted in municipal income tax receipt testing where the UAN receipt could not be located, and two instances were noted where the calculator tape that accompanies the deposit could not be located.
- Payroll testing showed minutes were not properly maintained to substantiate compensation to Council members; timesheets were not maintained for most items tested; and OPERS and OP&F pension remittances, insurance remittances, the Ohio IT3 form, and BWC premium remittance documentation were not maintained. The Village also could not locate support for a raise to an employee, including documentation of such an increase in the minute record. This raise resulted in an insignificant overpayment to the employee.

We were able to determine proper public purpose through other audit procedures. However, failure to maintain supporting documentation subjects the Village to the risk of inaccurate or improper payments, and results in an insufficient audit trail and the possibility of findings for recovery. The Village should implement procedures to ensure that supporting documentation for all receipts and disbursements is properly maintained.

Client Response:

The current fiscal officer began working for the Village in September 2015. He has secured proper supporting documentation for all expenditures since his appointment.

Village of Coal Grove
Lawrence County
Schedule of Prior Audit Findings
For the Year Ended December 31, 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Noncompliance Citation – Ohio Revised Code (ORC) Sections 733.27(A) and 121.22(C) – Maintenance of Minutes, Resolutions, and Ordinances	No	Reissued as 2014-001
2013-002	Noncompliance Citation/Material Weakness – ORC Section 733.28 and Ohio Administrative Code (OAC) Section 117-2-02(A) – Inaccurate Bank Reconciliations and Accounting Records/Financial Statements	No	Reissued as 2014-002
2013-003	Noncompliance Citation/Material Weakness – ORC Section 145.47(B) – Proper Filing of Reports and Remittance of Withholdings to Retirement Systems	No	Reissued as 2014-003
2013-004	Noncompliance Citation – ORC Section 5705.10(I) – Negative Fund Balances	No	Reissued in Management Letter
2013-005	Noncompliance Citation – ORC Section 5705.38(A) – Proper Adoption and Filing of Appropriations	Yes	
2013-006	Noncompliance Citation – ORC Section 5709.39 – Appropriations in Excess of Estimated Resources	No	Reissued as 2014-004
2013-007	Noncompliance Citation – ORC Section 5705.41(B) – Expenditures in Excess of Appropriations	No	Reissued in Management Letter
2013-008	Noncompliance Citation – ORC Section 5705.41(D) – Prior Certification of Funds	No	Reissued as 2014-005
2013-009	Material Weakness – Lack of Proper Budgetary Cycle	No	Reissued, in Part, as 2014-006
2013-010	Noncompliance Citation – Failure of Fiscal Officer to Provide Proper Management Reports in Accordance with November 12, 2012 Resolution	No	Reissued as 2014-007
2013-011	Material Weakness – Deficiencies in Payroll Cycle	No	Reissued, in Part, as 2014-008
2013-012	Material Weakness – Old Outstanding Advances	No	Reissued as 2014-009

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Dave Yost • Auditor of State

VILLAGE OF COAL GROVE

LAWRENCE 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
JUNE 30, 2016