



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of South Zanesville
Muskingum County
24 E Main Street
South Zanesville, Ohio 43701

We have performed the procedures enumerated below on the Village of South Zanesville's, Muskingum County, Ohio (the Village) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Village. The Village is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village.

The Village Council, Mayor and the management of the Village have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Village's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2022 and 2021, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash

1. We recalculated the December 31, 2022, and December 31, 2021 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2021, beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2020, balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found a variance of \$102 due to the Village voiding checks from a prior period. We also agreed the January 1, 2022, beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2021, balances in the Fund Ledger Report. We found a variance of \$172 due to the Village voiding checks from a prior period.

Cash (Continued)

3. We agreed the 2022 and 2021 bank reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2022 and 2021 to the total fund cash balances reported in the Fund Status Report and the financial statements filed by the Village in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2022 bank account balances with the Ohio Pooled Collateral System. We found no exceptions. We observed the year-end bank balance for the ICS account via the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022 bank reconciliation without exception. However, we found a Police Auxiliary account opened in 2020 and a Police Evidence account opened in 2021 with balances of \$997 and \$2,414, respectively, were not included on the Village's bank reconciliation at December 31, 2022. The balance and activity of these accounts was also not included on the financial statements filed by the Village in the Hinkle System for the year ended December 31, 2022.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2022 bank reconciliation:
 - a. We traced four debits to the subsequent January bank statement. We were unable to trace one debit to a subsequent bank statement as the Village subsequently void the check.
 - b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. We found no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2022, bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Receipts Register and determined they were dated prior to December 31. We found no exceptions.
7. We traced interbank account transfers occurring in December of 2022 and 2021 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Listing (DTL), and the Muskingum County Auditor's Check Disbursement Report for 2022 and a total of five from 2021:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We inspected the Receipt Register Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Receipt Register Report to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2022 and 2021. The Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the individual amounts paid from Springfield Township to the Village during 2022 and 2021 with the Township. We found no exceptions.
 - a. We inspected the Receipt Register Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (Continued)

- b. We inspected the Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Income Tax Receipts

1. We selected five income tax returns filed during 2022 and five from 2021.
 - a. We compared the payment amount recorded on the tax return to the amount recorded on the receipt stub. The amounts agreed.
 - b. We compared the receipt stub total from procedure a. to the amount recorded as income tax receipts in the Receipt Register Report for that date. The amounts agreed.
 - c. We compared the date of the receipts to the date the receipts was posted in the Receipt Register Report to determine whether the receipts were recorded in the year received. We found no exceptions.
 - d. We obtained the original income tax ordinance which set the rate and effective period. The original ordinance was dated December 14, 2004. The latest Council approved amendment for the engagement period was dated December 7, 2015. We agreed the most recent approved rate to the rate used on the income tax return. We found no exceptions.
2. We selected five income tax refunds from 2022 and five from 2021.
 - a. We compared the refund paid from Payment Register Detail Report to the refund amount requested in the tax return. The amounts agreed.
 - b. We observed the approval by the Fiscal Officer on each of the refunds. We found no exceptions.
 - c. We observed the refunds were paid from the General Fund, as is required.

Emergency Medical Service Receipts

We selected five receipts recorded in the cash receipts records from the year ended December 31, 2022 and five from the year ended December 31, 2021 from the Receipt Register Report and:

- a. Agreed the cash receipt to the credit on the bank statement.
- b. Agreed the receipt amount to the amount credited on Paumier's Paid Runs Report, the service organization that performs the emergency medical billings but does not collect all of the receipts for the Village. We found no exceptions.
- c. Inspected the Receipt Register Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
- d. Inspected the Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Water and Refuse Fund

1. We selected 10 Water and Refuse Fund collection cash receipts from the year ended December 31, 2022 and 10 Water and Refuse Fund collection cash receipts from the year ended 2021 recorded in the Receipt Register Report and determined whether the:
 - a. Receipt amount per the Receipt Register Report agreed to the amount recorded to the credit of the customer's account in the Summary Cash Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Summary Cash Journal for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the engagement period multiplied by the consumption amount recorded for the billing period, plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.

Water and Refuse Fund (Continued)

- c. Receipt was posted to the proper funds and was recorded in the year received. We found no exceptions.
- 2. We observed the Aged A/R By Cycle and Book Report:
 - a. This report listed \$81,661 and \$78,417 of accounts receivable as of December 31, 2022 and 2021, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$8,398 and \$8,627 were recorded as more than 90 days delinquent.
- 3. We observed the utility clerk's Binder of Utility Adjustments
 - a. This utility clerk's Binder of Utility Adjustments listed a total of \$6,692 and \$48,510 non-cash receipts adjustments for the years ended December 31, 2022 and 2021, respectively.
 - b. We selected five non-cash adjustments from 2022 and five non-cash adjustments from 2021 and observed that the Village Administrator approved each adjustment.

Debt

- 1. From the prior agreed-upon procedures documentation, we observed the following bonds, loans and leases were outstanding as of December 31, 2020.
 - a. These amounts agreed to the Village's January 1, 2021 balances on the summary we used in procedure 3.
 - b. We inspected the debt's final offering documents, loan and lease agreements for all outstanding debt, and we confirmed the debt covenants did not have requirements that failing to follow the terms indicates possible outcome modification of the debt terms.

Issue	Principal outstanding as of December 31, 2020:
CR18N OPWC – Water Meter Project	\$23,912
CT68S OPWC – Water Plant Upgrade Ph 1	\$225,608
CT76T OPWC – Water Plant Update Ph 2	\$133,200
1084700603 – PNC Municipal Building Bonds	\$57,500
1094110416995 – 26 W. LaSalle	\$20,397
1094110421439 – Water Plant	\$279,149
4009991 – Maint. Truck	\$31,930
OPWC-Loan CR22V	\$36,192
1094110430437 – Turnout Gear	\$14,603
2101129095761 – Maint. Truck	\$10,179
1094110432637 – Real Estate Acquisition Bonds	\$57,408
535867 - Ambulance	\$158,568
Stryker Lease Purchase	<u>\$25,257</u>
Total:	\$1,073,903

- 2. We inquired of management and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. All debt agreed to the summary we used in procedure 3.
- 3. We obtained a summary of bonds, loans, and leases debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules to General, Street Construction Maintenance and Repair, Fire/EMS, Debt Service, and Water Fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.

Debt (Continued)

4. We agreed the amount of debt proceeds received for 2022 and 2021 from the debt documents to amounts recorded in the Water Fund per the Receipt Register Report. The amounts agreed. However, we noted the Village incorrectly recorded a portion of debt proceeds as Intergovernmental Revenue and Miscellaneous Revenue.
5. For new debt issued during 2022 and 2021, we inspected the debt legislation, which stated the Village must use the proceeds to replace a water tower/tank and installation of water meters. We inspected the Payment Register Detail Report and debt documents, and observed the Village made consistent payments to replace the water tower/tank and installation of water meters throughout 2022 and 2021.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2022 and one payroll check for five employees from 2021 from the Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard and legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files and minute record. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected three new employees from 2022 and three new employees from 2021 and:
 - a. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We agreed the items in a above to the Employee General Information Report. We found no exceptions.
3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2022 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2022. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 15, 2023	December 29, 2022	\$3,131	\$3,131
State income taxes	January 15, 2023	December 29, 2022	\$1,584	\$1,584
Village of South Zanesville income tax	January 31, 2023	December 29, 2022	\$1,047	\$1,047
Zanesville City income Tax	January 15, 2023	December 29, 2022	\$13	\$13
OPERS retirement	January 30, 2023	December 1, 2022	\$1,492	\$1,492
OP&F retirement	January 31, 2023	December 1, 2022	\$902	\$902

Payroll Cash Disbursements (Continued)

We found no exceptions.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2022, and 10 from the year ended 2021 and determined whether:

- a. The disbursements were for a proper public purpose. We found no exceptions.
- b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.
- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
- d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found no exceptions.

Mayor's Court Transactions and Cash Balances

1. We recalculated the December 31, 2022, and December 31, 2021, bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2022, and December 31, 2021, to the Mayor's Court Fund balance reported in the Fund Status Reports. The balances agreed.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2022, and 2021 listing of unpaid distributions held as of each December 31. The amounts agreed.
4. We confirmed the December 31, 2022, bank account balance with the Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022, bank reconciliation without exception.
5. We selected five cases from the court cash book and agreed the payee and amount posted to the:
 - a. Duplicate receipt book.
 - b. Docket, including comparing the total fine paid to the judgment issued by the judge (i.e. mayor)
 - c. Case file.

The amounts recorded in the cash book, receipts book, docket and case file agreed.

6. From the cash book, we selected one month from the year ended December 31, 2022 and one month from the year ended 2021 and determined whether:
 - a. The monthly sum of fines and costs collected for those months agreed to the amounts reported as remitted to the Village, State, or other applicable government in the following month. We found no exceptions.
 - b. The totals remitted for these two months per the cash book agreed to the returned canceled checks. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the cash book.

Compliance – Budgetary

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2022, and 2021 for the General, Street Lighting - Special Assessment and Fire/EMS Department Funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected all interfund transfers from 2021 Revenue Status Reports and Appropriation Status Reports for compliance with Ohio Rev. Code §§ 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner.
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2022 and 2021 for negative cash fund balance. Ohio Rev. Code § 5705.10(l) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

Sunshine Law Compliance

1. We obtained and inspected the Village's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected five public records requests from the engagement period and inspected each request to determine the following:
 - a. The Village was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
 - b. The Village did not have any denied public records requests during the engagement period.
 - c. The Village did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Village had a records retention schedule and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inspected the Village's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
6. We observed that the Village's poster describing their Public Records Policy was displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inquired with Village management and determined that the Village did not have any applications for record disposal submitted to the Records Commission during the engagement period.

Sunshine Law Compliance (Continued)

8. We inspected individual proof of attendance and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) or his/her designee successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found no exceptions.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

HB 481 / HB 614 Coronavirus Relief Fund (CRF) Compliance

We inquired of management and those charged with governance and documented how the Village decided to spend their CRF allocations and how the Village documented their compliance with the CARES Act three-prong test. We then selected all transactions including payroll, non-payroll, and subgrant/subloan transactions. and determined the Village:

- a. Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
 - b. Maintained appropriate supporting documentation.
- We found no exceptions.

Contract Compliance

1. We inspected the Minutes and Appropriation Ledger and identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one contract over \$50,000 for 2022 and
 - a. We inspected the contract and other bids for the contracted expenditure and determined:
 - i. The Village accepted the lowest bid and met the requirements of Ohio Rev. Code § 735.05.
 - ii. No bid splitting occurred.
 - iii. No deliberate attempts to evade bid limitations occurred, such as successive contracts just under the bid amount, occurred.
 - iv. No apparent interest in the contract by a public official occurred.We found no exceptions.

Contract Compliance (Continued)

- b. We inspected the advertisements of the proposals for bids in the newspaper and determined they were made as required by Ohio Rev. Code §§ 731.14 and 7.16. We found no exceptions.

Other Compliance

Ohio Rev. Code § 117.38 requires villages to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Village filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2022, and 2021 in the Hinkle system. We found no exceptions.

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

October 25, 2023

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SOUTH ZANESVILLE

MUSKINGUM COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/9/2023

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