

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 2011 and 2010

VICKI MARMON, FISCAL OFFICER



Dave Yost • Auditor of State

Village Council
Village of Zanesfield
P.O. Box 62
Zanesfield, Ohio 43360

We have reviewed the *Independent Accountants' Report* of the Village of Zanesfield, Logan County, prepared by Julian & Grube, Inc., for the audit period January 1, 2010 through December 31, 2011. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Zanesfield is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 29, 2012

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**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Accountants' Report

Village of Zanesfield
P.O. Box 62
Zanesfield, Ohio 43360

To the Members of Council and Mayor:

We have audited the accompanying financial statements of the Village of Zanesfield, Logan County, Ohio, as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Village of Zanesfield's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 2B, the Village of Zanesfield has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village of Zanesfield's larger (i.e. major) funds separately. While the Village of Zanesfield does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village of Zanesfield has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported to its non-GAAP basis is in the second following paragraph.

Village of Zanesfield
Independent Accountants' Report
Page Two

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Zanesfield as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Zanesfield, Logan County, Ohio as of December 31, 2011 and 2010, and its combined cash receipts and disbursements and combined budgeted and actual receipts and budgeted and actual disbursements for the years then ended.

As described in Note 2, during 2011, the Village of Zanesfield adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2012, on our consideration of the Village of Zanesfield's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Julian & Grube, Inc.
April 9, 2012

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

COMBINED STATEMENT OF FUND CASH BALANCES
ALL FUND TYPES
DECEMBER 31, 2011 AND 2010

<u>Cash and Cash Equivalents</u>	2011	2010
Cash and Cash Equivalents	\$ 114,456	\$ 109,052
Total Cash and Cash Equivalents	\$ 114,456	\$ 109,052
 <u>Fund Cash Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 47,373	\$ 45,434
Special Revenue Funds	19,724	16,022
Total Governmental Fund Types	67,097	61,456
 <u>Fiduciary Fund Type:</u>		
Private Purpose Trust Fund	47,359	47,596
Total Fiduciary Funds	47,359	47,596
Total Fund Cash Balances	\$ 114,456	\$ 109,052

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Property and local taxes	\$ 6,920	\$ -	\$ -	\$ 6,920
Intergovernmental	10,698	9,639	1,972	22,309
Fines, licenses, and permits	329	-	-	329
Interest	65	12	-	77
Miscellaneous	1,366	-	-	1,366
Total cash receipts	<u>19,378</u>	<u>9,651</u>	<u>1,972</u>	<u>31,001</u>
Cash disbursements:				
Current:				
Leisure time activities	148	-	-	148
Community environment	500	-	-	500
Transportation	-	5,949	1,972	7,921
General government	16,791	-	-	16,791
Total cash disbursements	<u>17,439</u>	<u>5,949</u>	<u>1,972</u>	<u>25,360</u>
Net change in fund cash balances	1,939	3,702	-	5,641
Fund cash balances, January 1, 2011	<u>45,434</u>	<u>16,022</u>	<u>-</u>	<u>61,456</u>
Fund cash balances:				
Restricted	-	19,724	-	19,724
Assigned	15,033	-	-	15,033
Unassigned	32,340	-	-	32,340
Fund cash balances, December 31, 2011	<u>\$ 47,373</u>	<u>\$ 19,724</u>	<u>\$ -</u>	<u>\$ 67,097</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2011

	Fiduciary Fund Type
	Private Purpose Trust
Nonoperating cash receipts/(disbursements):	
Interest receipts	\$ 263
Miscellaneous disbursements	(500)
Total nonoperating cash receipts/(disbursements)	(237)
Net change in fund cash balances	(237)
Fund cash balances, January 1, 2011	47,596
Fund cash balances, December 31, 2011	\$ 47,359

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

Fund Types	Receipts					Prior Year Carryover Appropriations	2011 Appropriations	Total	Actual 2011 Disbursements	Encumbrances Outstanding at 12/31/11	Total	Variance Favorable (Unfavorable)
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2011 Receipts	Variance Favorable (Unfavorable)							
Governmental:												
General	\$ 45,434	\$ 18,752	\$ 64,186	\$ 19,378	\$ 626	\$ -	\$ 31,575	\$ 31,575	\$ 17,439	\$ -	\$ 17,439	\$ 14,136
Special Revenue	16,022	10,500	26,522	9,651	(849)	-	22,500	22,500	5,949	-	5,949	16,551
Capital Projects	-	6,000	6,000	1,972	(4,028)	-	6,000	6,000	1,972	-	1,972	4,028
Fiduciary:												
Private Purpose Trust	47,596	400	47,996	263	(137)	-	5,500	5,500	500	-	500	5,000
Total												
(Memorandum Only)	<u>\$ 109,052</u>	<u>\$ 35,652</u>	<u>\$ 144,704</u>	<u>\$ 31,264</u>	<u>\$ (4,388)</u>	<u>\$ -</u>	<u>\$ 65,575</u>	<u>\$ 65,575</u>	<u>\$ 25,860</u>	<u>\$ -</u>	<u>\$ 25,860</u>	<u>\$ 39,715</u>

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Property and local taxes	\$ 6,937	\$ -	\$ -	\$ 6,937
Intergovernmental	10,962	10,343	20,881	42,186
Fines, licenses, and permits	329	-	-	329
Interest	144	34	-	178
Miscellaneous	1,076	-	-	1,076
Total cash receipts	<u>19,448</u>	<u>10,377</u>	<u>20,881</u>	<u>50,706</u>
Cash disbursements:				
Current:				
Leisure time activities	1,548	-	-	1,548
Community environment	4,076	-	-	4,076
Basic utility services	1,028	-	-	1,028
Transportation	-	32,754	20,881	53,635
General government	21,333	-	-	21,333
Total cash disbursements	<u>27,985</u>	<u>32,754</u>	<u>20,881</u>	<u>81,620</u>
Total cash receipts over/(under) cash disbursements	(8,537)	(22,377)	-	(30,914)
Fund cash balances, January 1, 2010	<u>53,971</u>	<u>38,399</u>	<u>-</u>	<u>92,370</u>
Fund cash balances, December 31, 2010	<u>\$ 45,434</u>	<u>\$ 16,022</u>	<u>\$ -</u>	<u>\$ 61,456</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Fiduciary Fund Type
	Private Purpose Trust
Nonoperating cash receipts/(disbursements):	
Interest receipts	\$ 369
Miscellaneous disbursements	(750)
Total nonoperating cash receipts/(disbursements)	(381)
Net cash receipts (under) cash disbursements	(381)
Fund cash balances, January 1, 2010	47,977
Fund cash balances, December 31, 2010	\$ 47,596

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

Fund Types	Receipts					Prior Year Carryover Appropriations	2010 Appropriations	Total	Actual 2010 Disbursements	Encumbrances Outstanding at 12/31/10	Total	Variance Favorable (Unfavorable)
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2010 Receipts	Variance Favorable (Unfavorable)							
Governmental:												
General	\$ 53,971	\$ 17,500	\$ 71,471	\$ 19,448	\$ 1,948	\$ -	\$ 46,160	\$ 46,160	\$ 27,985	\$ -	\$ 27,985	\$ 18,175
Special Revenue	38,399	10,500	48,899	10,377	(123)	-	46,000	46,000	32,754	-	32,754	13,246
Capital Projects	-	20,881	20,881	20,881	-	-	20,881	20,881	20,881	-	20,881	-
Fiduciary:												
Private Purpose Trust	47,977	900	48,877	369	(531)	-	6,500	6,500	750	-	750	5,750
Total												
(Memorandum Only)	\$ 140,347	\$ 49,781	\$ 190,128	\$ 51,075	\$ 1,294	\$ -	\$ 119,541	\$ 119,541	\$ 82,370	\$ -	\$ 82,370	\$ 37,171

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 - DESCRIPTION OF THE ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Zanesfield, Logan County (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides street repair and maintenance and park operations. The Village contracts with the Logan County Sheriff's department to provide security of persons and property.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Village's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village:

General Fund

The general fund is used to account for all activities of the Village not required to be included in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

The Village had the following special revenue fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintain and repair Village streets.

Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following capital project fund:

Capital Projects Issue II Fund - This fund accounts for Issue II money spent on behalf of the Village for constructing, maintaining, and repairing Village streets.

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 had the following private purpose trust fund:

Sloan Fund - This fund receives interest receipts from the original principal which is to be spent on the youth of the Village. The trust agreement requires the Village not to spend the original principal.

B. BASIS OF ACCOUNTING

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates and the Budget Commission finds the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. The Village had several amendments to the original estimated certificate during the years ended December 31, 2011 and 2010.

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. There were no supplemental appropriations during 2011. The Village had supplemental appropriations during 2010.

Encumbrances:

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and re-appropriated in the subsequent year. The Village had no encumbrances outstanding at December 31, 2011 or 2010.

D. Fund Balance

For December 31, 2011, the Village implemented Governmental Accounting Standards Board (GASB) No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" which had no effect on fund balances. Under GASB No. 54, fund balances are 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:

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. **Nonspendable**

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

2. **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 of regulations of other governments; or is imposed by law through constitutional provisions.

3. **Committed**

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

4. **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.

5. **Unassigned**

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

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

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers “Cash and Cash Equivalents” to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$340 and \$547 for the years ended December 31, 2011 and 2010, respectively.

F. PROPERTY, PLANT AND EQUIPMENT

Capital assets are not capitalized in any of the Village’s funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

G. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village’s cash basis method of accounting.

H. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances such as upon retirement. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Village.

I. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned “Total (Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Village maintains a cash and investment 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>2011</u>	<u>2010</u>
Deposits: Demand deposits	\$ 76,456	\$ 71,052
Certificate of Deposits	<u>38,000</u>	<u>38,000</u>
Total Cash and Cash Equivalents	<u>\$ 114,456</u>	<u>\$ 109,052</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

NOTE 4 - PROPERTY TAX

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

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

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 - RETIREMENT SYSTEM

The Village's salaried employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 5 - RETIREMENT SYSTEM - (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For the years ended December 31, 2011 and 2010, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries for 2011 and 2010, respectively. At December 31, 2011, all amounts for the years ended 2011 and 2010 have been paid.

NOTE 6 - RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and,

NOTE 7 - CONTINGENT LIABILITY

LITIGATION

The Village is not currently involved in litigation.



Julian & Grube, Inc.

Serving Ohio Local Governments

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Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Village of Zanesfield
P.O. Box 62
Zanesfield, Ohio 43360

To the Members of Council and Mayor:

We have audited the financial statements of the Village of Zanesfield, Logan County, Ohio, as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated April 9, 2012, wherein we noted the Village of Zanesfield prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. As described in Note 2, the Village of Zanesfield adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" for the year ended December 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Zanesfield's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village of Zanesfield's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village of Zanesfield's internal control over financial reporting.

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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village of Zanesfield's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section as was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Members of Council and Mayor
Village of Zanesfield

Compliance and Other Matters

As part of reasonably assuring whether the Village of Zanesfield'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, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the Council, management and others within the Village of Zanesfield. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
April 9, 2012

**VILLAGE OF ZANESFIELD
LOGAN COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer</u> <u>Valid; Explain:</u>
2009-001	<u>Material Weakness: Classification of Revenue in the Accounting Records and Financial Statements</u> - The Villages 2009 accounting records and financial statements had revenue classification errors. To assist in the effective management and reporting of financial resources, a village should have procedures in place to help assure that revenues are correctly classified in the accounting records and financial statements.	Yes	N/A

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Dave Yost • Auditor of State

VILLAGE OF ZANESFIELD

LOGAN 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 12, 2012