



Dave Yost • Auditor of State

VILLAGE OF ZOAR
TUSCARAWAS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2013	4
Notes to the Financial Statements	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Zoar
Tuscarawas County
203 Third Street
P.O. Box 544
Zoar, Ohio 44697-0544

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Village of Zoar, Tuscarawas County, Ohio (the Village), as of and for the years ended December 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

743 East State Street, Athens Mall Suite B, Athens, Ohio 45701-2157
Phone: 740-594-3300 or 800-441-1389 Fax: 740-594-2110

www.ohioauditor.gov

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Village of Zoar, Tuscarawas County, Ohio, as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2015, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

October 26, 2015

**VILLAGE OF ZOAR
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$15,464	\$7,133	\$0	\$22,597
Intergovernmental	6,502	90,864	0	97,366
Charges for Services	0	17,755	0	17,755
Fines, Licenses and Permits	2,066	0	0	2,066
Earnings on Investments	10	4	3	17
Miscellaneous	137	0	0	137
<i>Total Cash Receipts</i>	<u>24,179</u>	<u>115,756</u>	<u>3</u>	<u>139,938</u>
Cash Disbursements				
Current:				
Security of Persons and Property	4,998	34,652	0	39,650
Public Health Services	138	800	0	938
Transportation	4,010	91,003	0	95,013
General Government	15,615	149	0	15,764
<i>Total Cash Disbursements</i>	<u>24,761</u>	<u>126,604</u>	<u>0</u>	<u>151,365</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(582)</u>	<u>(10,848)</u>	<u>3</u>	<u>(11,427)</u>
<i>Fund Cash Balances, January 1</i>	<u>28,839</u>	<u>52,798</u>	<u>18,714</u>	<u>100,351</u>
Fund Cash Balances, December 31				
Nonspendable	0	0	15,259	15,259
Restricted	0	41,950	3,458	45,408
Assigned	15,053	0	0	15,053
Unassigned (Deficit)	13,204	0	0	13,204
<i>Fund Cash Balances, December 31</i>	<u>\$28,257</u>	<u>\$41,950</u>	<u>\$18,717</u>	<u>\$88,924</u>

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

**VILLAGE OF ZOAR
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$15,356	\$24,066	\$0	\$39,422
Intergovernmental	6,492	289,407	0	295,899
Charges for Services	29	575	0	604
Fines, Licenses and Permits	2,040	0	0	2,040
Earnings on Investments	14	3	4	21
Miscellaneous	201	660	0	861
<i>Total Cash Receipts</i>	<u>24,132</u>	<u>314,711</u>	<u>4</u>	<u>338,847</u>
Cash Disbursements				
Current:				
Security of Persons and Property	4,367	23,693	0	28,060
Public Health Services	6	2,243	0	2,249
Leisure Time Activities	942	0	0	942
Community Environment	600	0	0	600
Transportation	3,523	359,001	0	362,524
General Government	15,604	157	0	15,761
Capital Outlay	0	2,424	0	2,424
<i>Total Cash Disbursements</i>	<u>25,042</u>	<u>387,518</u>	<u>0</u>	<u>412,560</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(910)</u>	<u>(72,807)</u>	<u>4</u>	<u>(73,713)</u>
Other Financing Receipts (Disbursements)				
Advances In	0	35,085	0	35,085
Advances Out	0	(35,085)	0	(35,085)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(910)</u>	<u>(72,807)</u>	<u>4</u>	<u>(73,713)</u>
<i>Fund Cash Balances, January 1</i>	<u>29,749</u>	<u>125,605</u>	<u>18,710</u>	<u>174,064</u>
Fund Cash Balances, December 31				
Nonspendable	0	0	15,259	15,259
Restricted	0	52,798	3,455	56,253
Assigned	13,746	0	0	13,746
Unassigned (Deficit)	15,093	0	0	15,093
<i>Fund Cash Balances, December 31</i>	<u>\$28,839</u>	<u>\$52,798</u>	<u>\$18,714</u>	<u>\$100,351</u>

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

**VILLAGE OF ZOAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Zoar, Tuscarawas County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government operations, including park operations (leisure time activities) and health and development services. The Village contracts with the Village of Bolivar to provide security of persons and property and emergency services. The Village contracts with the Zoar Volunteer Fire Department to provide fire protection services.

The Village participates in two jointly governed organizations, the Tuscarawas County Regional Planning Commission and the Lawrence Township Joint Recreation District. Note 8 to the financial statements provides additional information for these entities.

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

C. Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

D. 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:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF ZOAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

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

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

Fire Protection Fund - This fund receives fire levy receipts for providing fire protection services.

Sidewalk Improvement Fund - This fund receives grant money for the installation of brick sidewalks along the main street in the Village.

3. Permanent Fund

This fund accounts for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant Permanent Fund:

Cemetery Endowment Fund - This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

**VILLAGE OF ZOAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

A summary of 2014 and 2013 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into 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:

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

3. 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.

4. 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.

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

G. Property, Plant, and Equipment

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

**VILLAGE OF ZOAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

2. Equity in Pooled Deposits and Investments

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

	2014	2013
Demand deposits	\$67,500	\$78,934
Investments: STAR Ohio	21,424	21,417
Total deposits and investments	\$88,924	\$100,351

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$25,494	\$24,179	(\$1,315)
Special Revenue	114,441	115,756	1,315
Permanent	3	3	0
Total	\$139,938	\$139,938	\$0

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$37,187	\$24,761	\$12,426
Special Revenue	182,956	126,604	56,352
Permanent	3,400	0	3,400
Total	\$223,543	\$151,365	\$72,178

2013 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$23,480	\$24,132	\$652
Special Revenue	485,834	349,796	(136,038)
Permanent	8	4	(4)
Total	\$509,322	\$373,932	(\$135,390)

**VILLAGE OF ZOAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

3. Budgetary Activity (continued)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$33,566	\$25,042	\$8,524
Special Revenue	487,705	422,603	65,102
Permanent	3,400	0	3,400
Total	\$524,671	\$447,645	\$77,026

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.

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

5. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2014.

6. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

Unemployment

The Village participates in a group retrospective rating program, which is a shared risk pool for worker's compensation rating purposes. Ohio Rev. Code § 4123.29 permits the establishment of employer group retrospective rating plans for such purposes.

The Village paid premiums to the Bureau of Worker's Compensation totaling \$100 in 2014 and 2013.

**VILLAGE OF ZOAR
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

7. Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor 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.

8. Jointly Governed Organizations

Tuscarawas County Regional Planning Commission

The Village is associated with the Tuscarawas County Regional Planning Commission (the Commission) as a jointly governed organization. The Commission is a statutorily created political subdivision of the State. The Commission is jointly governed among Tuscarawas County municipalities and townships. Each member's control over the operation of the Commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and governmental characteristics, functions and services of the County. The Village contributed a total of \$54 in 2014 and 2013 to the Commission.

Lawrence Township Joint Recreation District

The Village is associated with the Lawrence Township Joint Recreation District (the District) as a jointly governed organization. The District is a statutorily created political subdivision of the State. The District is jointly governed by the Village of Bolivar, the Village of Zoar, and Lawrence Township. Each member's control over the operation of the District is limited to its representation on the board. The District provides maintenance and supervision of leisure time activities with Lawrence Township. The Village did not make any contributions to the District in 2014 or 2013.



Dave Yost • Auditor of State

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

Village of Zoar
Tuscarawas County
203 Third Street
P.O. Box 544
Zoar, Ohio 44697-0544

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Village of Zoar, Tuscarawas County, Ohio (the Village), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2015 wherein we noted the Village followed financial reporting provisions Ohio Revised Code § 117.38 and the Ohio Administrative Code § 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a significant deficiency in internal control. We consider finding 2014-001 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts.

743 East State Street, Athens Mall Suite B, Athens, Ohio 45701-2157
Phone: 740-594-3300 or 800-441-1389 Fax: 740-594-2110

www.ohioauditor.gov

However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

October 26, 2015

**VILLAGE OF ZOAR
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

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

FINDING NUMBER 2014-001

Significant Deficiency

The Village should maintain an accounting system and accounting records sufficient to enable the Village to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

During our audit of the 2014 and 2013 financial statements, we noted the following reclassifications that were posted to the financial statements:

- Homestead and Rollback receipts in the amount of \$4,207 and \$4,158 in 2014 and 2013, respectively, were improperly classified as Property Tax revenue instead of Intergovernmental revenue in the General Fund;
- Receipts collected from a Lawrence Township levy used to pay the Village's Fire and EMS contractual services with local volunteer fire departments were improperly classified as Property Tax revenue. As the Village did not levy the tax, receipts amounting to \$16,904 in 2014 should have been classified as Charges for Services revenue; and
- The General Fund's ending fund balance was improperly classified solely as unassigned, rather than allocating a portion of the fund balance to the assigned classification for amounts assigned for subsequent year's appropriations. This resulted in a misclassification of \$15,053 and \$13,746 in 2014 and 2013, respectively.

Our audit also identified the following reclassifications for which the financial statements were not adjusted:

- Receipts collected from a Lawrence Township levy used to pay the Village's Fire and EMS contractual services with local volunteer fire departments were improperly classified as Property Tax revenue. As the Village did not levy the tax, receipts amounting to \$16,955 in 2013 should have been classified as Charges for Services revenue; and
- On-behalf monies received from the Ohio Department of Transportation for the Sidewalk Improvement Project was not properly reflected in 2014 and 2013. This resulted in an understatement in Intergovernmental revenue and Transportation expense in 2014 of \$7,576 and an overstatement of those account balances in 2013 of \$1,180 within the Other Special Revenue – Sidewalk Improvement Fund.

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

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

We recommend the Village take the necessary steps to ensure that all revenues, expenditures, and fund balances of the Village are properly presented in the Village's financial statements.

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

This page intentionally left blank.



Dave Yost • Auditor of State

VILLAGE OF ZOAR

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 17, 2015