



OHIO AUDITOR OF STATE
KEITH FABER





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BASIC AUDIT REPORT

Village of Conesville
Coshocton County
P.O. Box 214
Conesville, OH 43811

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Village of Conesville, Coshocton County, Ohio, (the Village) for the years ended December 31, 2024 and 2023.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2024 and 2023.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. **Ohio Rev. Code § 733.81(B)** provides that to enhance the background and working knowledge of fiscal officers in government accounting, budgeting and financing, financial report preparation, cybersecurity, and the rules adopted by the auditor of state, the auditor of state shall conduct education programs and continuing education courses for individuals elected or appointed for the first time to the office of fiscal officer, and shall conduct continuing education courses for individuals who continue to hold the office in a subsequent term. The Ohio municipal league also may conduct such initial education programs and continuing education courses if approved by the auditor of state. The auditor of state, in conjunction with the Ohio municipal league, shall determine the manner and content of the initial education programs and continuing education courses.

Ohio Rev. Code § 733.81 (C) states that a newly elected or appointed fiscal officer shall complete at least six hours of initial education programs before commencing, or during the first year of, office. A fiscal officer who participates in a training program held under section 117.44 of the Revised Code may apply those hours taken before commencing office to the six hours of initial education programs required under this division. **Ohio Rev. Code § 733.81 (D)(1)** states that in addition to the six hours of initial education required under division (B) of this section, a newly elected or appointed fiscal officer shall complete at least a total of eighteen continuing education hours during the fiscal officer's first term of office.

The Fiscal Officer, whose first term ended March 31, 2024, should have completed total of twenty-four hours of training, which includes six hours of initial education training. Review of the Auditor of State (AOS) online database shows that the Fiscal Officer did complete the six hours of initial education training but only completed a total of 12.25 hours of training for the entire term.

The Fiscal Officer should ensure that the required number of education hours is being obtained and self-report those continuing education hours on the Fiscal Integrity Act portal at <http://www.ohioauditor.gov/fiscalintegrity/default.html>.

2. **Ohio Rev. Code §§ 4501.04 and 5735.27** require that monies from auto registration distributions and gasoline excise tax revenue shall be used for specific purposes in regard to the Village's streets.

Additionally, **Ohio Rev. Code § 5705.10(D)** provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Village received gasoline excise tax and park donations in 2023 and 2024; however, the park donations receipts were not always properly recorded in the General Fund and the motor vehicle license tax receipts were not always properly recorded in the Village's Street Construction, Maintenance and Repair Fund as follows:

- In 2023, the Street Construction, Maintenance, and Repair Fund was understated and the General Fund balance was overstated by \$437 due to improperly recorded motor vehicle license tax receipts.
- In 2024, the Street Construction, Maintenance, and Repair Fund was understated and the General Fund balance was overstated by \$389 due to improperly recorded motor vehicle license tax receipts.
- In 2024, the General Fund was understated and the Street Construction, Maintenance, and Repair Fund balance was overstated by \$355 due to improperly recorded park donation receipts.

Inaccurate reporting of revenue could lead to park donation monies and motor vehicle license tax monies being utilized for unallowable disbursements that do not correspond with the legally required intent as defined in State statutes.

These adjustments were agreed to by management and posted to the Village's accounting system accordingly.

The Village should implement procedures to ensure that park donation monies and motor vehicle license tax monies are properly recorded.

3. **Ordinance No. 2015-3 Village of Conesville Income Tax Ordinance**, effective January 1, 2016, states that the annual tax is levied at a rate of 1% on all persons residing in or earning or receiving income in the Village of Conesville. The tax rate was decreased to 0.5% in 2018. The Village utilizes the services of the Regional Income Tax Agency (RITA) to handle the processing and collection of income tax receipts. As an administrative fee for handling this process, RITA withholds a retainer fee and distributes the net receipts to the Village. The gross receipts and the retainer fees and adjustments should be captured as receipts and expenditures on the ledgers and financial statements.

However, during testing of income tax receipts, we noted the following:

- The Village is not properly monitoring the receipts collected by RITA to determine if the tax collections relate to the Village. This is evident as the Village received income tax monies amounting \$21,470 from RITA in prior years that did not belong to the Village. The error was identified in 2024 and a monthly installment of \$2,000 is being applied each month until the overpayment is correct.
- In 2024 and 2023, the Village had income tax retainer fees and adjustments of \$333 and \$709, respectively, that were not recorded on the financial statements since the income tax receipts were recorded at net instead of gross.

Although the Village uses RITA to handle the collection income tax, the Village should ensure that procedures and controls are in place regarding the completeness of income tax monies. Additionally, the Village should ensure gross receipts collected by RITA, as well as related fees and adjustments, are recorded on the financial statements.

Current Status of Matters Reported in our Prior Engagement

- 4. Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1)** require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training.

All three of the Village's elected officials with terms ending in 2023, did not, during their term of office, attend a required Certified Public Records Training or have an appropriate designee attend a training, due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.

- 5. Ohio Rev. Code § 149.43(B)(2)** states to facilitate broader access to public records, a public office or the person responsible for public records shall organize and maintain public records in a manner that they can be made available for inspection or copying in accordance with division (B) of this section. A public office also shall have available a copy of its current records retention schedule at a location readily available to the public. If a requester makes an ambiguous or overly broad request or has difficulty in making a request for copies or inspection of public records under this section such that the public office or the person responsible for the requested public record cannot reasonably identify what public records are being requested, the public office or the person responsible for the requested public record may deny the request but shall provide the requester with an opportunity to revise the request by informing the requester of the manner in which records are maintained by the public office and accessed in the ordinary course of the public office's or person's duties.

The Village follows the records retention schedule published by the Ohio Historical Society, however, has not approved a formal records retention policy.

The Village should establish a formal records retention policy and ensure it is readily available to the public.

6. **26 U.S.C. §3102** states that Medicare taxes should be deducted from employees' compensation for all employees hired after March 31, 1986. Furthermore, employers are liable for reporting and remitting these taxes.

26 U.S.C. § 3402(a)(1) states in general, except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary.

26 U.S.C. § 3403 states that the employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter, and shall not be liable to any person for the amount of any such payment.

Although the Village properly withheld Federal Tax for the Fiscal Officer, Social Security for Council Members and the Mayor, and Medicare for all elected officials, the withholdings for the third quarter and fourth quarter of 2022 amounting to \$341 and \$399, respectively have not been remitted. Failure to remit federal taxes in a timely fashion, as required, could subject the Village to penalties and interest charges.

The Fiscal Officer should remit the proper federal taxes and Medicare promptly to the Internal Revenue Service each period, as required.



Keith Faber
Auditor of State
Columbus, Ohio

April 16, 2025

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF CONESVILLE

COSHOCTON 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 5/8/2025

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This report is a matter of public record and is available online at
www.ohioauditor.gov