

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019

**Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd. Building G
Zanesville, Ohio 43701**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Vienna Township
P.O. Box 593
Vienna, Ohio 44473

We have reviewed the *Independent Auditor's Report* of the Vienna Township, Trumbull County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Findings for Recovery Repaid Under Audit

Pursuant to Ohio Rev. Code § 507.09(A) (5) and 505.24(A) (5), in calendar year 2019, in a Township having a budget of more than \$1,500,000 but not more than \$3,500,000, the annual compensation of the Township Fiscal Officer shall be \$21,836 and each Township Trustee shall be paid \$62.39 per day not to exceed 200 days.

The Township's 2019 Certificates of Estimated Resources as approved by the County Budget Commission on October 3, 2018 indicated certified amounts for all funds of \$3,447,960. Ohio Attorney General Opinions 92-003 and 99-015 indicate that, under Section 505.24 a Township's Certificate of Estimated Resources is to be used in order to determine the appropriate compensation level for the Township Trustees and Fiscal Officer.

As such, the maximum annual salary for the Fiscal Officer and each Trustee based on the budget should have been \$21,836 and \$12,478, respectively. A review of the payroll records indicate the Fiscal Officer was paid annual total compensation of \$23,396 during 2019 and as a result, an overpayment of \$1,560 occurred. Each Township Trustee was paid annual total compensation of \$13,612 during 2019 and as a result, an overpayment of \$1,134 occurred for each of the three Trustees.

In accordance with the foregoing facts and circumstances, and, pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public monies illegally expended is hereby issued for the overpayment to the Fiscal Officer against Linda McCullough, Fiscal Officer, in the amount of \$1,560 and in favor of Vienna Township's General Fund.

In addition, Findings for Recovery for public monies illegally expended are hereby issued for the overpayment to the Trustees, totaling \$3,402. The Findings are issued individually against Trustees Heidi Brown, Phil Pegg, and Richard Dascenzo, Jr., in the amount received by each Trustee, \$1,134, and in favor of Vienna Township's General Fund.

Board of Trustees
Vienna Township
P.O. Box 593
Vienna, Ohio 44473
Page -2-

Findings for Recovery Repaid Under Audit (*continued*)

Trustee Heidi Brown repaid \$1,134 via check number 8875 on November 23, 2021. Trustee Phil Pegg repaid \$1,134 via wage garnishments of \$900 on December 21, 2021 and \$234 on January 21, 2021. Trustee Richard Dascenzo repaid \$1,134 via wage garnishments of \$700 on December 12, 2021 and \$434 on January 25, 2022. Fiscal Officer Linda McCullough repaid \$1,560 via wage garnishments of \$1,260 on December 21, 2021 and \$300 on January 25, 2022. Therefore, all the Findings for Recovery enumerated above are considered repaid under audit.

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. Vienna Township is responsible for compliance with these laws and regulations.



Keith Faber
Auditor of State
Columbus, Ohio

June 28, 2022

**VIENNA TOWNSHIP
TRUMBULL COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019**

TABLE OF CONTENTS

Table of Contents	(i)
Independent Auditors' Report	1-2
Financial Statements	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2020	3
Combined Statement of Additions, Deductions, and Changes in Fund Cash Balances - All Fiduciary Fund Types For the Year Ended December 31, 2020	4
2020 Notes to the Financial Statements	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2019	12
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Fund Types For the Year Ended December 31, 2019	13
2019 Notes to the Financial Statements	14
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.	21
Schedule of Findings	23

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Vienna Township
Trumbull County
P.O. Box 593
Vienna, Ohio 44473

To the Township Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type and fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of Vienna Township, Trumbull County, Ohio.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township'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 Township'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 opinion.

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

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

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 Township 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 Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted 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 Vienna Township, Trumbull County as of December 31, 2020 and 2019, 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 cash balances, receipts and disbursements for each governmental fund type and fiduciary fund type combined total as of and for the years ended December 31, 2020 and 2019, and related notes of Vienna Township, Trumbull County, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 13 to the 2020 financial statements and Note 11 to the 2019 financial statements, during 2020, the impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 27, 2022, on our consideration of Vienna Township'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 Township's internal control over financial reporting and compliance.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 27, 2022

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 290,046	\$ 461,245	\$ -	\$ 751,291
Charges for Services	-	96,870	-	96,870
Licenses, Permits and Fees	67,550	3,100	-	70,650
Intergovernmental	166,633	430,670	-	597,303
Earnings on Investments	10,763	-	-	10,763
Miscellaneous	11,175	9,390	-	20,565
Total Cash Receipts	<u>546,167</u>	<u>1,001,275</u>	<u>-</u>	<u>1,547,442</u>
Cash Disbursements:				
Current:				
General Government	530,777	168,596	-	699,373
Public Safety	-	735,175	-	735,175
Public Works	-	285,157	-	285,157
Health	-	9,071	-	9,071
Capital Outlay	19,500	335	-	19,835
Debt Service:				
Principal Retirement	35,500	-	-	35,500
Interest and Fiscal Charges	3,547	-	-	3,547
Total Cash Disbursements	<u>589,324</u>	<u>1,198,334</u>	<u>-</u>	<u>1,787,658</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(43,157)	(197,059)	-	(240,216)
Special Item	100	-	-	100
Net Change in Fund Cash Balance	(43,057)	(197,059)	-	(240,116)
Fund Cash Balances, January 1	<u>1,421,751</u>	<u>443,288</u>	<u>4,910</u>	<u>1,869,949</u>
Fund Cash Balances, December 31	<u>\$ 1,378,694</u>	<u>\$ 246,229</u>	<u>\$ 4,910</u>	<u>\$ 1,629,833</u>

See notes to financial statements.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS, AND
CHANGES IN FUND CASH BALANCES
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Fiduciary Fund <hr/> Private Purpose Trust <hr/>
Fund Cash Balances, January 1	\$ 2,967
Fund Cash Balances, December 31	\$ 2,967

See notes to financial statements.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Vienna Township, Trumbull County, (the Township) as a body corporate and politic. A publically elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Vienna Volunteer Fire Department for fire services and emergency medical services. The Township appropriates fire/ems fund money to support the volunteer fire department.

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

B. Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 Township had the following significant Special Revenue Funds:

Gasoline Tax Fund – This fund receives gasoline tax monies to pay for constructing, maintaining, and repairing Township roads.

Road and Bridge Fund – This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Police Fund – This fund receives property tax monies to pay for the general operations of the police department. This fund also receives monies for services rendered for private citizens.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Debt Retirement Fund – This fund receives money which is used to pay any debt incurred by the Township.

Fiduciary Fund

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 Township's own programs. The Township's private purpose trust fund is for the benefit of certain individual's cemetery plots.

C. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

D. Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2020 appears in Note 3.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Deposits and Investments

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

F. Capital Assets

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

G. Accumulated Leave

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

H. Fund Balance

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Township 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.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2020 is as follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 450,286	\$ 546,267	\$ 95,981
Special Revenue	1,528,570	1,001,275	(527,295)
Total	\$ 1,978,856	\$ 1,547,542	\$ (431,314)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,450,254	\$ 590,427	\$ 859,827
Special Revenue	1,099,269	1,203,675	(104,406)
Total	\$ 2,549,523	\$ 1,794,102	\$ 755,421

Contrary to ORC 5705.41(D), the Township had made expenditures prior to certification.
 Contrary to ORC 5705.41(B), the Township had funds where expenditures exceeded appropriations.
 Contrary to ORC 5705.39, the Township had funds where appropriations exceeded estimated resources.

4. DEPOSITS AND INVESTMENTS

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposits and investment accounts are as follows:

	2020
<i>Cash Management Pool</i>	
Demand deposits	\$ 1,632,800
Total Carrying Amount of Deposits and Investments held in Pool	\$ 1,632,800

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Township is holding \$0 in unremitted employee payroll withholdings.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. DEPOSITS AND INVESTMENTS (Continued)

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

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. 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 Township.

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

6. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	10,894,146

7. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

7. DEFINED BENEFIT PENSION PLANS (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2020, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. OPERS law enforcement members contributed 13.00% of their gross salaries, and the Township contributed an amount equal to 18.10% of participant's gross salaries. The Township has paid all contributions required through December 31, 2020.

Social Security

Several Township employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

8. POSTEMPLOYMENT BENEFITS

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

9. PUBLIC ENTITY RISK POOL

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

10. DEBT

Debt outstanding at December 31, 2020 was as follows:

	Principal	Interest rate
Ambulance Bonds	\$ 74,628	3.50%
Total	\$ 74,628	

In 2018, the Township issued general obligation bonds to finance the purchase of an ambulance. The Township's taxing authority collateralized the loan and is paid from the General Fund and/or the Fire District Fund.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

10. DEBT (Continued)

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

Year Ended December 31	Ambulance Bonds
2021	\$ 39,047
2022	39,047
Total	<u>\$ 78,094</u>

11. FUND BALANCES

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the balances of those amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Total
Nonspendable:				
Corpus	\$ -	\$ -	\$ -	\$ -
Outstanding Encumbrances	1,103	5,341	-	6,444
Total	<u>\$ 1,103</u>	<u>\$ 5,341</u>	<u>\$ -</u>	<u>\$ 6,444</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

12. CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the Township has made changes to their cash basis reporting model. These changes include modification to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types and removing the fund balance classifications from the combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) – all governmental fund types.

There was no effect to beginning cash balances due to this change.

13. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Township received \$216,171 as an on-behalf grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 146,149	\$ 570,159	\$ -	\$ 716,308
Charges for Services	-	108,739	-	108,739
Licenses, Permits and Fees	66,837	6,239	-	73,076
Intergovernmental	122,623	231,641	-	354,264
Earnings on Investments	31,265	-	-	31,265
Miscellaneous	3,691	14,125	-	17,816
Total Cash Receipts	<u>370,565</u>	<u>930,903</u>	<u>-</u>	<u>1,301,468</u>
Cash Disbursements:				
Current:				
General Government	450,588	-	-	450,588
Public Safety	-	691,724	-	691,724
Public Works	-	261,466	-	261,466
Health	-	27,898	-	27,898
Capital Outlay	-	1,594	-	1,594
Debt Service:				
Principal Retirement	17,302	16,987	-	34,289
Interest and Fiscal Charges	4,737	-	-	4,737
Total Cash Disbursements	<u>472,627</u>	<u>999,669</u>	<u>-</u>	<u>1,472,296</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(102,062)	(68,766)	-	(170,828)
Other Cash Financing Receipts (Disbursements)				
Other Financing Sources	41	-	-	41
Total Other Cash Financing Receipts (Disbursements)	<u>41</u>	<u>-</u>	<u>-</u>	<u>41</u>
Special Item	-	75	-	75
Net Change in Fund Cash Balance	(102,021)	(68,691)	-	(170,712)
Fund Cash Balances, January 1	<u>1,523,772</u>	<u>511,979</u>	<u>4,910</u>	<u>2,040,661</u>
Fund Cash Balances, December 31				
Restricted	-	443,288	4,910	448,198
Assigned	588	-	-	588
Unassigned (Deficit)	1,421,163	-	-	1,421,163
Fund Cash Balances, December 31	<u>\$ 1,421,751</u>	<u>\$ 443,288</u>	<u>\$ 4,910</u>	<u>\$ 1,869,949</u>

See notes to financial statements.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Fiduciary Fund <hr/> Private Purpose Trust <hr/>
Fund Cash Balances, January 1	\$ 2,967
Fund Cash Balances, December 31	<u>\$ 2,967</u>

See notes to financial statements.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Vienna Township, Trumbull County, (the Township) as a body corporate and politic. A publically elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Vienna Volunteer Fire Department for fire services and emergency medical services. The Township appropriates fire/ems fund money to support the volunteer fire department.

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

B. Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 Township had the following significant Special Revenue Funds:

Gasoline Tax Fund – This fund receives gasoline tax monies to pay for constructing, maintaining, and repairing Township roads.

Road and Bridge Fund – This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Police Fund – This fund receives property tax monies to pay for the general operations of the police department. This fund also receives monies for services rendered for private citizens.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Debt Retirement Fund – This fund receives money which is used to pay any debt incurred by the Township.

Fiduciary Fund

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 Township's own programs. The Township's private purpose trust fund is for the benefit of certain individual's cemetery plots.

C. Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

D. Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2019 appears in Note 3.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Deposits and Investments

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

F. Capital Assets

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

G. Accumulated Leave

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

H. Fund Balance

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Township 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.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2019 is as follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 280,094	\$ 370,606	\$ 90,512
Special Revenue	829,184	930,978	101,794
Total	\$ 1,109,278	\$ 1,301,584	\$ 192,306

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,768,308	\$ 473,215	\$ 1,295,093
Special Revenue	1,266,597	1,002,750	263,847
Total	\$ 3,034,905	\$ 1,475,965	\$ 1,558,940

Contrary to ORC 5705.41(D), the Township had made expenditures prior to certification.
 Contrary to ORC 5705.41(B), the Township had funds where expenditures exceeded appropriations.
 Contrary to ORC 5705.39, the Township had funds where appropriations exceeded estimated resources.

4. EQUITY IN POOLED CASH

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

	2019
Demand Deposits	\$ 1,872,916
Total Deposits	\$ 1,872,916

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

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Township Trustees. 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 Township.

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

6. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2019
Cash and investments	<u>\$35,207,320</u>
Actuarial liabilities	10,519,942

7. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. OPERS law enforcement members contributed 13.00% of their gross salaries, and the Township contributed an amount equal to 18.10% of participant's gross salaries. The Township has paid all contributions required through December 31, 2019.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

7. DEFINED BENEFIT PENSION PLANS (Continued)

Social Security

Several Township employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

8. POSTEMPLOYMENT BENEFITS

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

9. PUBLIC ENTITY RISK POOL

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.

10. DEBT

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest rate
Ambulance Bonds	\$ 110,128	3.50%
Total	\$ 110,128	

In 2018, the Township issued general obligation bonds to finance the purchase of an ambulance. The Township's taxing authority collateralized the loan and is paid from the General Fund and/or the Fire District Fund.

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

Year Ended December 31	Ambulance Bonds
2020	\$ 39,047
2021	39,047
2022	39,047
Total	\$ 117,141

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

11. SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS.**

Vienna Township
Trumbull County
P.O. Box 593
Vienna, Ohio 44473

To the Board of Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements the cash balances, receipts and disbursements for each governmental and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and fiduciary fund type as of and for the year ended December 31, 2019 and related notes of Vienna Township, Trumbull County and have issued our report thereon dated May 27, 2022, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered Vienna Township's internal control over financial reporting (internal control) as a basis for designing 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 Township'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 a 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 Township'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 and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weakness or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be material weaknesses. We consider finding 2020-001, 2020-005, 2020-006 and 2020-007 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether Vienna Township'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 financial statements. However, opining on compliance was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed six instances of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as items 2020-002, 2020-003, 2020-004, 2020-005, 2020-006 and 2020-007.

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 Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 27, 2022

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-001

Material Weakness – Financial Reporting

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

The Township Officer’s Handbook provides suggested accounts classifications. These accounts classify receipts by fund and source (Taxes or charges for services, for example) and classify disbursements by fund, program (general government, for example) or object (personal services, for example). Using these classifications and the aforementioned accounting records will provide the Township with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

The Township did not properly record all receipts and expenditures. Errors were made in recording various transactions. Amounts were not always posted to the correct fund and/or line item. The following reclassifications and adjustments were made. All adjustments were posted to the financial statement and accounting records.

For 2019:

- A reclassification was made in the amount of \$2,536 from Other Financing Uses to Interest and Fiscal Charges to properly show debt payments in the General Fund.
- A reclassification was made in the amount of \$17,302 to Principal Retirement and \$2,201 to Interest and Fiscal Charges from General Government in the General Fund for proper posting of debt payments.
- A reclassification was made in the amount of \$29,042 from Miscellaneous Revenue to Licenses, Permits and Fees to properly show cable franchise fees in the General Fund.
- A reclassification was made in the amount of \$16,987 from Public Works to Principal Retirement to properly show debt payments in the Gasoline Tax Fund.
- An adjustment was made to increase the Fund Balance in the Road & Bridge Fund, Police Levy Fund and Fire Levy Fund by \$10,778, \$8,863 and \$8,862, respectively for Rollback monies not being distributed correctly.
- A reclassification was made in the amount of \$588 to increase Assigned Fund Balance and decrease Unassigned fund balance in the General Fund for outstanding encumbrances.

For 2020:

- A reclassification was made in the amount of \$35,500 to Principal Retirement and \$3,547 to Interest and Fiscal Charges from General Government in the General Fund for proper posting of debt payments.
- A reclassification was made in the amount of \$59,911 from Miscellaneous Revenue to Licenses, Permits and Fees to properly show cable franchise fees in the General Fund.
- A reclassification was made in the amount of \$216,171 from Extraordinary Item to Intergovernmental Revenue for coronavirus relief monies in the Coronavirus Relief Fund.
- An adjustment was made to increase the Fund Balance in the Road & Bridge Fund, Police Levy Fund and Fire Levy Fund by \$21,603, \$17,764 and \$17,765, respectively for Rollback monies not being distributed correctly.
- A reclassification was made in the amount of \$500 from Extraordinary Item to Miscellaneous in the General Fund for OTARMA monies.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-001 (Continued)

The reclassifications with which the Township Official's agree are reflected in the accompanying financial statements and posted to the accounting records.

We recommend the Township utilize available authoritative resources to appropriately classify and record all receipt and expenditure transactions.

Client Response: We have not received a response from the client.

FINDING NUMBER 2020-002

Noncompliance – Certification of Funds

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- If the fiscal officer can certify that both at the time that the contract or order was made ("then") and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has 30 days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of the expenditures by the Township.
- Blanket Certificates. Fiscal officers may prepare "blanket" certificates if the Township has approved their use and established maximum amounts.
- Super Blanket Certificates. The Township may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operation expense. This certification is not to extend beyond the current year. More than one so-called "super blanket" certificate may be outstanding at a particular time for any line item appropriation.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-002 (Continued)

The Township did not certify the availability of funds prior to the purchase commitment for 28% of expenditures tested. For these items the Township also did not prepare blanket certificates, super blankets certificates or then and now certificates in accordance with the Ohio Revised Code. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

We recommend the Township certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs a commitment and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper code, to reduce available appropriations.

Client Response: We have not received a response from the client.

FINDING NUMBER 2020-003

Noncompliance – Appropriations Exceeding Estimated Resources

Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission. In addition, no appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total estimate or amended official estimate.

Fund	Year	Estimated Resources	Appropriations	Variance
Road & Bridge	2020	\$ 45,830	\$ 110,250	\$ (64,420)
Coronavirus Relief	2020	-	268,787	(268,787)
MVL Tax	2019	17,428	22,856	(5,428)
Cemetery	2019	53,121	88,160	(35,039)
DARE	2019	11,196	12,482	(1,286)

We recommend the Board of Trustees review estimated resources versus appropriations throughout the year. Also, the Board of Trustees should not approve appropriations greater than estimated resources. This could result in the Township spending more money than it receives and could cause possible negative fund balances.

Client Response: We have not received a response from the client.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-004

Noncompliance – Appropriations Exceeding Estimated Resources

Ohio Revised Code Section 5705.41(B) prohibits a subdivision from expending money unless it has been appropriated. The following funds had expenditures greater than appropriations.

Fund	Year	Appropriations	Expenditures	Variance
Road & Bridge	2020	\$ 110,250	\$ 163,359	\$ (53,109)
Police District	2020	206,500	342,270	(135,770)
Fire District	2020	263,600	395,998	(132,398)
Fire District	2019	342,963	353,049	(10,086)
Drug Law Enforcement	2019	-	2,250	(2,250)

We recommend the Board of Trustees review expenditures versus appropriations throughout the year. Also, the Board of Trustees should not approve expenditures greater than appropriations. This could result in the Township spending more money than it should and could cause possible negative fund balances.

Client Response: We have not received a response from the client.

FINDING NUMBER 2020-005

Noncompliance/Material Weakness

Ohio Revised Code Sections 507.09(A)(5) and 505.24(A)(5) and Ohio Attorney General Opinions 92-003 and 99-105 determines how Trustees and Fiscal Officers’ are to be paid. The annual salary is set by their Certificate of Estimated Resources approved by the County Budget Commission. Upon reviewing the Townships Certificates, it appears that the Trustees and Fiscal Officer were overpaid in 2019.

Client Response: We have not received a response from the client.

**VIENNA TOWNSHIP
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-006

Noncompliance/Material Weakness

AOS Bulletin 1997-003 and various ORC Sections discuss Advances. Though there are no statutory provisions directly related to advances, they are subject to various requirements:

- Any advance must be clearly labeled as such and must be distinguished from a transfer
- There must be statutory authority to sue the money in the fund advancing the cash for the same purpose for which the fund receiving the cash was established.
- The debtor fund may repay advances from the creditor fund.
- Advances must be made by formal resolution of the taxing authority which includes specific statement that the transaction is an advance and it will be expected to be repaid.
- When a fund ends with negative cash, it is not appropriate to present an advance on the budgetary statement to eliminate the negative fund cash balance.

In 2020 the Township made advances that were not authorized by formal resolution and were made for the purpose of eliminating a negative fund balance. Therefore the following adjustment was made:

	Cash Balance		Adjusted Cash
Fund	At 12/31/20	Adjustment	At 12/31/20
General	\$ 1,107,699	\$ 270,995	\$ 1,378,694
Road & Bridge	39,699	(17,750)	21,949
Police District	43,438	(96,500)	(53,062)
Fire District	71,301	(112,000)	(40,699)
Coronavirus Relief	88,929	(44,705)	44,240

Client Response: We have not received a response from the client.

FINDING NUMBER 2020-007

Noncompliance and Material Weakness

Ohio Revised Code Section 5705.10(I) provides that money paid into a fund must be used only for the purposes which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

At December 31, 2020, the Police District Fund had a negative fund balance of \$53,072 and the Fire District Fund had a negative fund balance of \$40,699).

We recommend available fund cash balances be reviewed regularly to evaluate the reasoning behind a negative cash balance and determine how to correct the situation when necessary. The Township’s management should ensure that money from one fund is not used to cover the expenses of another fund.

Client Response: We have not received a response from the client.

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OHIO AUDITOR OF STATE KEITH FABER



VIENNA TOWNSHIP

TRUMBULL 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 7/12/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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