



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF VINTON
GALLIA COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Vinton
Gallia County
121 Clay Street
P.O. Box 8
Vinton, Ohio 45686

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Vinton, Gallia County, Ohio (the Village).

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 such 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 2 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.

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, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Finding 2020-005 in the accompanying Schedule of Findings, the Fiscal Officer posted disbursements incorrectly to the wrong funds in prior periods. Due to the impact these adjustments would have on the General Fund, the Village has declined to make these adjustments.

Had the posting errors noted in the preceding paragraph been properly posted to the financial statements and the accounting system, the General Fund cash fund balance would have decreased \$15,696; State Highway Fund cash fund balance would have decreased \$118; Street Construction, Maintenance, and Repair Fund cash fund balance would have decreased \$24,241; Monthly Sewer Payment Fund cash fund balance would have decreased \$495, and the Sewer Debt Service Reserve Fund cash fund balance would have increased \$40,550.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraphs, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. 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 our report dated January 26, 2022, 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.



Keith Faber
Auditor of State
Columbus, Ohio

January 26, 2022

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Village of Vinton, Ohio
Gallia County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$13,282	\$0	\$13,282
Intergovernmental	66,347	106,007	172,354
Charges for Services	22,478	0	22,478
Fines, Licenses and Permits	667	0	667
Miscellaneous	2,691	0	2,691
<i>Total Cash Receipts</i>	<u>105,465</u>	<u>106,007</u>	<u>211,472</u>
Cash Disbursements			
Current:			
Security of Persons and Property	50,297	0	50,297
Public Health Services	0	86,922	86,922
Leisure Time Activities	1,110	0	1,110
Basic Utility Services	3,596	0	3,596
Transportation	1,447	18,109	19,556
General Government	51,667	0	51,667
Debt Service:			
Principal Retirement	1,177	3,458	4,635
Interest and Fiscal Charges	661	189	850
<i>Total Cash Disbursements</i>	<u>109,955</u>	<u>108,678</u>	<u>218,633</u>
<i>Excess of Receipts Over Disbursements</i>	<u>(4,490)</u>	<u>(2,671)</u>	<u>(7,161)</u>
Other Financing Receipts (Disbursements)			
Other Debt Proceeds	10,000	0	10,000
<i>Total Other Financing Receipts (Disbursements)</i>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
<i>Net Change in Fund Cash Balances</i>	5,510	(2,671)	2,839
<i>Fund Cash Balances, January 1</i>	<u>3,755</u>	<u>7,083</u>	<u>10,838</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$9,265</u></u>	<u><u>\$4,412</u></u>	<u><u>\$13,677</u></u>

See accompanying notes to the basic financial statements

Village of Vinton, Ohio
Gallia County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2020

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$96,313
<i>Total Operating Cash Receipts</i>	<u>96,313</u>
Operating Cash Disbursements	
Contractual Services	26,015
Supplies and Materials	32,299
<i>Total Operating Cash Disbursements</i>	<u>58,314</u>
<i>Operating Income (Loss)</i>	<u>37,999</u>
Non-Operating Receipts (Disbursements)	
Other Debt Proceeds	10,000
Principal Retirement	(14,072)
Interest and Other Fiscal Charges	(27,823)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(31,895)</u>
<i>Net Change in Fund Cash Balances</i>	6,104
<i>Fund Cash Balances, January 1</i>	<u>58,624</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$64,728</u></u>

See accompanying notes to the basic financial statements

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The Village of Vinton (the Village), Gallia County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities, park operations, and police services. The Village contracts with the Gallia County Sheriff's department to provide security of persons and property. The Village appropriates general fund money to support a volunteer fire department.

Public Entity Risk Pool

The Village participates in the Public Entities Pool of Ohio (PEP) public entity risk pool. Note 6 to the financial statements provide additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village'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 fund types which are all organized on a fund type basis.

Fund Accounting

The Village 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 Village 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 Village 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 Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Corona Virus Relief Fund The corona virus relief fund accounts for and reports grant receipts that are restricted to corona virus relief efforts.

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Sewer Monthly Payment Fund The sewer monthly payment fund receives charges for services from residents to cover sewer service costs.

Sewer Debt Service Fund The sewer debt service fund receives charges for services from residents to cover the cost of the debt service on the USDA loan.

Basis of Accounting

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 Board 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.

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 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.

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.

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. The Village did not encumber all commitments required by Ohio law.

A summary of 2020 budgetary activity appears in Note 3.

Capital Assets

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 Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 3 – Budgetary Activity (Continued)

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$125,423	\$115,465	(\$9,958)
Special Revenue	107,569	106,007	(1,562)
Enterprise	109,344	106,313	(3,031)
Total	\$342,336	\$327,785	(\$14,551)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$125,984	\$109,955	\$16,029
Special Revenue	111,321	108,678	2,643
Enterprise	118,029	100,209	17,820
Total	\$355,334	\$318,842	\$36,492

Note 4 – Deposits

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

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$78,405

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 5 – Taxes

Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 5 – Taxes (Continued)

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

Note 6 – Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity'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	\$ 40,318,971
Actuarial liabilities	\$14,111,510

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Village 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 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. 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.

Note 9 – Debt

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
USDA Loans Sewer Project A	\$394,500	4.50%
USDA Loans Sewer Project B	\$187,200	4.50%
Ohio Valley Bank Line of Credit	\$17,645	5.75%
Ohio Valley Bank Commercial Loan	\$722	3.75%
Ohio Water Development Authority Loan	\$11,349	1.50%
Ohio Public Works Commission Loan	21,799	0.00%
Total	\$633,215	

In fiscal year 2004, the Ohio Water Development Authority (OWDA) approved two loans totaling \$693,000 to finance additional expenditures of a sewage treatment project and to pay off the existing OWDA planning loan for the project. This loan was for interim financing of a wastewater collection system. This loan was repaid by financing approved by the USDA-Rural Development upon completion of the project in February 2006. The Village has agreed to set utility rates sufficient to cover debt service payments. Payment of principal began in 2009. Both loans will mature in September, 2046.

The Village issued debt to finance a new roof on the Village Hall through Ohio Valley Bank on their line of credit during 2020 in the amount of \$20,000. Payments on the Village’s line of credit are paid monthly.

Furthermore, in 2016, The Village issued debt to finance the building of a walking bridge through Ohio Valley Bank on March 10, 2016 in the amount of \$15,189. The interest rate on the loan is 3.75% and will be repaid over 5 years. The first payment began April, 2016.

In 2013, the Village entered into an agreement with OWDA for the Vinton Waste Water Treatment Plant Improvement project in the amount of \$15,558. The interest rate on the loan is 1.50% and will be repaid over 30 years. The first payment began June 2013.

The Village entered into an agreement with Ohio Public Works Commission (OPWC) on July 1, 2012 in the amount not to exceed \$140,017 for the Waste Water Treatment Plant Improvement project for which \$42,006 was approved as a loan for the Village. The Village only borrowed \$30,067 at 0% interest over 20 years to be paid semiannually each year.

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 9 – Debt (Continued)

Amortization

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

Year Ending December 31:	USDA Loan	OWDA Loan	Ohio Valley Bank Line of Credit	Ohio Valley Bank Commercial Loan	OPWC Loan
2021	\$38,368	\$304	\$3,705	\$725	\$1,503
2022	38,419	607	3,705		1,503
2023	38,343	607	3,705		1,503
2024	38,444	607	3,705		1,503
2025	38,414	607	3,705		1,503
2026-2030	191,916	3,037	2,470		7,517
2031-2035	191,906	3,037			6,767
2036-2040	192,041	3,037			
2041-2045	191,976	1,519			
2046	38,351				
Total	<u>\$998,178</u>	<u>\$13,362</u>	<u>\$20,995</u>	<u>\$725</u>	<u>\$21,799</u>

Note 10 – Fund Balances

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2020, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The 2020 activity includes \$86,922 reflected as public health expenditures in the applicable Special Revenue Fund on the accompanying financial statements.

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Village of Vinton, Ohio
Gallia County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$13,942	\$0	\$13,942
Intergovernmental	51,423	13,924	65,347
Charges for Services	23,118	0	23,118
Fines, Licenses and Permits	366	0	366
Miscellaneous	2,786	0	2,786
<i>Total Cash Receipts</i>	<u>91,635</u>	<u>13,924</u>	<u>105,559</u>
Cash Disbursements			
Current:			
Security of Persons and Property	38,404	0	38,404
Leisure Time Activities	1,030	0	1,030
Basic Utility Services	3,931	0	3,931
Transportation	1,241	9,489	10,730
General Government	61,000	0	61,000
Debt Service:			
Principal Retirement	229	3,304	3,533
Interest and Fiscal Charges	115	305	420
<i>Total Cash Disbursements</i>	<u>105,950</u>	<u>13,098</u>	<u>119,048</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>(14,315)</u>	<u>826</u>	<u>(13,489)</u>
<i>Fund Cash Balances, January 1</i>	<u>18,070</u>	<u>6,257</u>	<u>24,327</u>
Fund Cash Balances, December 31			
Restricted	0	7,083	7,083
Unassigned (Deficit)	3,755	0	3,755
<i>Fund Cash Balances, December 31</i>	<u>\$3,755</u>	<u>\$7,083</u>	<u>\$10,838</u>

See accompanying notes to the basic financial statements

Village of Vinton, Ohio
Gallia County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Proprietary Fund Type
For the Year Ended December 31, 2019

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$94,742
<i>Total Operating Cash Receipts</i>	<u>94,742</u>
Operating Cash Disbursements	
Contractual Services	31,118
Supplies and Materials	30,765
<i>Total Operating Cash Disbursements</i>	<u>61,883</u>
<i>Operating (Loss)</i>	<u>32,859</u>
Non-Operating Receipts (Disbursements)	
Principal Retirement	(13,017)
Interest and Other Fiscal Charges	(27,341)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(40,358)</u>
<i>Net Change in Fund Cash Balances</i>	(7,499)
<i>Fund Cash Balances, January 1</i>	<u>66,123</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$58,624</u></u>

See accompanying notes to the basic financial statements

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Village of Vinton (the Village), Gallia County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities, park operations, and police services. The Village contracts with the Gallia County Sheriff's department to provide security of persons and property. The Village appropriates general fund money to support a volunteer fire department.

Public Entity Risk Pool

The Village participates in the Public Entities Pool of Ohio (PEP) public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village'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 fund types which are all organized on a fund type basis.

Fund Accounting

The Village 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 Village 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 Village 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 Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Sewer Monthly Payment Fund The sewer monthly payment fund receives charges for services from residents to cover sewer service costs.

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Sewer Debt Service Fund The sewer debt service fund receives charges for services from residents to cover the cost of the debt service on the USDA loan.

Basis of Accounting

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 Board 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.

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 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.

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.

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. The Village did not encumber all commitments required by Ohio law.

A summary of 2019 budgetary activity appears in Note 3.

Capital Assets

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

Fund Balance

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

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

Fund Type	2019 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$120,204	\$91,635	(\$28,569)
Special Revenue	16,206	13,924	(2,282)
Enterprise	133,477	94,742	(38,735)
Total	\$269,887	\$200,301	(\$69,586)

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Activity (Continued)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$130,060	\$105,950	\$24,110
Special Revenue	17,000	13,098	3,902
Enterprise	150,364	102,241	48,123
Total	\$297,424	\$221,289	\$76,135

Note 4 – Deposits

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

	2019
<i>Cash Management Pool:</i>	
Demand deposits	\$69,462

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Note 5 – Taxes

Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Note 6 – Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity’s) policy. The Pool covers the following risks:

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 – Risk Management (Continued)

- 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>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$14,705,917

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Village 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

Note 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. 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.

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
USDA Loans Sewer Project A	\$402,300	4.50%
USDA Loans Sewer Project B	\$190,900	4.50%
Ohio Valley Bank Commercial Loan	\$3,967	3.75%
Ohio Water Development Authority Loan	\$11,992	1.50%
Ohio Public Works Commission Loan	22,551	0.00%
Total	\$631,710	

In fiscal year 2004, the Ohio Water Development Authority (OWDA) approved two loans totaling \$693,000 to finance additional expenditures of a sewage treatment project and to pay off the existing OWDA planning loan for the project. This loan was for interim financing of a wastewater collection system. This loan was repaid by financing approved by the USDA-Rural Development upon completion of the project in February 2006. The Village has agreed to set utility rates sufficient to cover debt service payments. Payment of principal began in 2009. Both loans will mature in September, 2046.

In 2016, the Village issued debt to finance the building of a walking bridge through Ohio Valley Bank on March 10, 2016 in the amount of \$15,189. The interest rate on the loan is 3.75% and will be repaid over 5 years. The first payment began April, 2016.

In 2013, the Village entered into an agreement with OWDA for the Vinton Waste Water Treatment Plant Improvement project in the amount of \$15,558. The interest rate on the loan is 1.50% and will be repaid over 30 years. The first payment began June, 2013.

The Village entered into an agreement with Ohio Public Works Commission (OPWC) on July 1, 2012 in the amount not to exceed \$140,017 for the Waste Water Treatment Plant Improvement project for which \$42,006 was approved as a loan for the Village. The Village only borrowed \$30,067 at 0% interest over 20 years to be paid semiannually each year.

Amortization

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

Village of Vinton, Ohio
Gallia County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Debt (Continued)

Year Ending December 31:	USDA Loan	OWDA Loan	Ohio Valley Bank Commercial Loan	OPWC Loan
2020	\$38,394	\$607	\$4,062	\$1,503
2021	38,368	607		1,503
2022	38,419	607		1,503
2023	38,343	607		1,503
2024	38,444	607		1,503
2025-2029	192,007	3,037		7,518
2030-2034	191,874	3,037		7,518
2035-2039	192,016	3,037		
2040-2044	191,920	2,126		
2045-2046	76,787			
Total	<u>\$1,036,572</u>	<u>\$14,272</u>	<u>\$4,062</u>	<u>\$22,551</u>

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OHIO AUDITOR OF STATE KEITH FABER



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

Village of Vinton
Gallia County
121 Clay Street
P.O. Box 8
Vinton, Ohio 45686

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 the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Vinton, Gallia County, Ohio (the Village), and have issued our report thereon dated January 26, 2022, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(D) permit. We also qualified our opinion on the financial statements for 2020 and 2019 due to the Village not making a \$15,696, \$118, \$24,241, and \$495 adjustment against the General Fund, State Highway Fund, Street Fund, and Sewer Monthly Payments Fund, respectively, and in favor of the Sewer Reserve Fund in the amount of \$40,550. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village'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 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider Findings 2020-003 through 2020-005 to be material weaknesses.

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 financial statement. 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2020-001 through 2020-003.

Village's Response to Findings

The Village's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the Village's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

January 26, 2022

VILLAGE OF VINTON
GALLIA 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

Noncompliance

Ohio Rev. Code § 2921.42(A)(1) states that no public official shall knowingly authorize, or employ the authority or influence of the public official's office to secure authorization of any public contract in which the public official, a member of the public official's family, or any of the public official's business associates has an interest.

Ohio Rev. Code § 2921.42(H) provides that any public contract in which a public official, a member of the public official's family, or any of the public official's business associates has an interest in violation of this section is void and unenforceable.

Ohio Rev. Code § 731.12 provides each member of the legislative authority of a village shall have resided in the village one year immediately preceding the member's election, and shall be an elector of the village. No member of the legislative authority shall hold any other public office, be interested in any contract with the Village, or hold employment with said village, provided that such member shall not receive any compensation for his services as a volunteer fireman of the village in addition to his regular compensation as a member of the legislative authority. Any member who ceases to possess any of such qualifications or who removes from the village shall forfeit the member's office.

On June 18, 2015, Village Council approved the hiring of Councilman Denver Bates as a contract laborer cutting grass and removing snow at a rate of \$13 per hour. The Village continued to contract with Mr. Bates for cutting grass and removing snow during 2019 and 2020. Mr. Bates was also working on other projects in the village at the contracted amount. Mr. Bates was paid \$20,761 in 2019 and \$22,043 in 2020 as a contract laborer.

Ohio Rev. Code § 2921.42(A)(1) prohibits the Village from hiring any political official who currently holds a position on the Village Council as an employee of the Village. Further, Ohio Rev. Code § 731.12 prohibits any sitting Village Council Member from holding a contract or employment with the Village and by doing so shall forfeit their ability to sit on the Council.

The Village should develop a formal policy regarding related party transactions to govern transactions in which members of the Council or the Village may have a personal interest. This policy may include Council members abstaining from voting on related party items. Additionally, Council members should refrain from voting on anything that is family related. Further, the Village should only hire employees which would be allowable under the Ohio Rev. Code. This matter will be referred to the Ohio Ethics Commission and the Gallia County Board of Elections for whatever action deemed necessary.

Officials' Response: Denver Bates was elected to his council term. As far as him being a contracted labor, he was the only person responsible, lives in the Village and willing to perform the job duties. As of January 1, 2022, Denver Bates is no longer on council. His term expired and didn't seek reelection.

VILLAGE OF VINTON
GALLIA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-002

Noncompliance

Ohio Rev. Code § 5705.41(D)(1) provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer'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 Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

1. "Then and Now" certificate – If the chief fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collections, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village Council can authorize the drawing of a warrant for the payment of the amount due. The Village Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions 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 expenditures by the Village.

2. Blanket Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village Council 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, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor. This certification is not to extend beyond the current fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to deficiencies in internal controls, 66 percent of the transactions tested at December 31, 2019 and 50 percent of the transactions tested at December 31, 2020 were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

VILLAGE OF VINTON
GALLIA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-002 (Continued)

Noncompliance (Continued)

Also, the Village used "blanket" certificates for which Village Council did not have a resolution adopted to establish a maximum amount.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used. In addition, Village Council should adopt a resolution to establish a maximum amount for "blanket" certificates.

Official's Response: I will figure this out and make improvements.

FINDING NUMBER 2020-003

Noncompliance and Material Weakness

Section 6 B(3) of Village Ordinance 2006-01 provides that monthly, commencing with the first day of the calendar month following the initial delivery of the series 2006 bond, there shall be set aside and deposited in the Sanitary Sewer System Reserve Fund (the "Reserve Fund"), which such fund is hereby established in the custody of the Village, the sum of \$320.70 until there is accumulated in such fund the sum of \$38,484 (the "Minimum Reserve"), after which no further deposits need be made into such fund except to replace withdrawals. With the approval of the United States Government, the Minimum Reserve shall be used and disbursed only for the purpose of paying the cost of repairing or replacing any damage to the System which may be caused by an unforeseen catastrophe and when necessary for the purpose of making payments of principal and interest on the Bonds hereby authorized if the amount in the Sinking Fund is not sufficient to meet such payment. Whenever disbursements are made from such fund, monthly payments shall be resumed until there is again accumulated in such fund, monthly payments shall be resumed until there is again accumulated in such fund an amount equal to the Minimum Reserve, at which time payments may be again discontinued.

During 2019, the Village made a disbursement for a new pump in the amount of \$6,679 from the Sewer Reserve Fund. Review of the invoice indicated that the project consisted of replacement of a pump. Based on the invoice, this disbursement does not meet the criteria of "repairing or replacing any damage to the System which may be caused by an unforeseen catastrophe." Also, in 2019, the village made a payment toward the principal of a debt payment for \$500. This payment was also from the Sewer Reserve fund.

The balance of the Sewer Reserve fund was \$11,628 on January 1, 2019 which was below the Minimum Reserve established in the Debt Contract. Additionally, the Village did not obtain approval from the United States Department of Agriculture (USDA) as required to disburse funds from the Minimum Reserve balance.

VILLAGE OF VINTON
GALLIA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-003 (Continued)

Noncompliance and Material Weakness (Continued)

During 2020, the Village made 3 additional disbursements to Ohio Water Development Authority for a total of \$643. Based on review of these disbursements they did not meet the criteria of "repairing or replacing any damage to the System which may be caused by an unforeseen catastrophe." Further, the Village did not obtain approval from the United States Department of Agriculture (USDA) as required to disburse funds from the Minimum Reserve balance.

Failure to follow the debt covenants laid out in the contract could lead to the Village violating the debt agreement, possible penalties against the Village, or possible default on the debt opening the Village to possible lawsuits by USDA to recover the remaining balance.

The Village has adjusted the financial statements and their accounting system for these items, resulting in increasing disbursements in the Sewer Monthly Payments Fund by \$6,679 in 2019 and \$643 in 2020 and increasing disbursements in the Enterprise Debt Fund by \$500 in 2019 while decreasing disbursements in the Sewer Reserve Fund by \$7,179 in 2019 and \$643 in 2020.

The Village should review the debt agreement and ensure that any disbursements from the applicable fund are approved by the USDA prior to disbursement.

Official's Response: We will work on these issues. Village makes monthly deposits into Debt Service, Debt Reserve and Payments Funds.

FINDING NUMBER 2020-004

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

As a result of the audit procedures performed, the financial statements had the following errors that required adjustment or reclassification:

For the year ended December 31, 2020:

- Debt payments were incorrectly posted resulting in General Fund principal retirement being understated \$1,177, General Fund interest being understated \$661, General Fund general government being overstated \$1,654, Street Fund principal retirement being understated \$3,246, Street Fund interest being understated \$95, Street Fund transportation being overstated \$4,628, State Highway Fund principal retirement being understated \$212, State Highway Fund interest being understated \$94, State Highway Fund transportation being overstated \$306, Sewer Monthly Payments Fund principal retirement being understated \$2,572, Sewer Monthly Payments Fund interest being understated \$929, Sewer Monthly Payments Fund supplies and materials being overstated \$735, Enterprise Debt Service Fund interest being overstated \$1,020, and Sewer Reserve Fund principal retirement being overstated \$643.

VILLAGE OF VINTON
GALLIA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-004 (Continued)

Material Weakness (Continued)

- Loan proceeds were incorrectly posted resulted in General Fund debt proceeds being understated and General Fund miscellaneous receipts being overstated \$10,000 and Sewer Monthly Payments Fund debt proceeds being understated and Sewer Monthly Payments Fund charges for services being overstated \$10,000.
- Grant receipts were incorrectly posted resulting in General Fund intergovernmental receipts being understated and General Fund charges for services being overstated by \$14,825.
- Special assessments receipts were incorrectly posted resulting in General Fund taxes being overstated \$746 and Sewer Monthly Payments Fund charges for services being understated \$746.
- Homestead and Rollback receipts were incorrectly posted resulting in General Fund intergovernmental receipts being understated \$3,184, Street Fund intergovernmental receipts being overstated by \$2,945, and State Highway Fund intergovernmental receipts being overstated \$239.

For the year ended December 31, 2019:

- Debt payments were incorrectly posted resulting in General Fund principal retirement being understated \$229, General Fund interest being understated \$115, General Fund general government being overstated \$344, Street Fund principal retirement being understated \$3,304, Street Fund interest being understated \$305, Street Fund transportation being overstated \$3,609, Sewer Monthly Payments Fund principal retirement being understated \$1,818, Sewer Monthly Payments Fund interest being understated \$143, Sewer Monthly Payments Fund supplies and materials being overstated \$1,961, Enterprise Debt Service Fund principal retirement being understated \$500, and Sewer Reserve Fund principal retirement being overstated \$500.
- Disbursements were incorrectly posted resulting Sewer Monthly Payments Fund contracted services being understated \$2,990, Sewer Monthly Payments Fund supplies and material being understated \$3,689, and Sewer Reserve Fund principal retirement being overstated \$6,679.
- Grant receipts were incorrectly posted resulting in General Fund intergovernmental receipts being understated \$3,395, Street Fund intergovernmental receipts being overstated \$3,140 and State Highway fund intergovernmental receipts being overstated \$255.

The audited financial statements have been adjusted for the above items and the Fiscal Officer has made the respective adjustments to the underlying ledgers.

The Fiscal Officer should review the Village handbook for guidance on the correct line items to post various receipts and disbursements to ensure the financial statements are complete and accurate. In addition, the Council should adopt policies and procedures including a final review of the financial statements and notes by the Fiscal Officer and Council.

Official's Response: I made the adjustment for these findings.

VILLAGE OF VINTON
GALLIA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-005

Material Weakness and Finding For Adjustment

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

As a result of the audit procedures performed in prior audits, the financial statements had the following errors that required adjustment that were not previously posted:

For the year ended December 31, 2018:

- General Fund intergovernmental receipts of \$1,599 were incorrectly posted as intergovernmental receipts of \$1,479 in the Street Construction, Maintenance and Repair Fund and intergovernmental receipts of \$120 in the State Highway Fund.

For the year ended December 31, 2017:

- Street, Construction, Maintenance, and Repair Fund intergovernmental receipts of \$1,624 were incorrectly posted as miscellaneous receipts in the General Fund; and
- State Highway Fund intergovernmental receipts of \$132 were incorrectly posted as miscellaneous receipts in the General Fund.

For the year ended December 31, 2016:

- General Fund charges for services receipts of \$3,874 were incorrectly reported as Sewer Monthly Payments Fund charges for services;
- Street, Construction, Maintenance, and Repair Fund intergovernmental receipts of \$2,372 and State Highway Fund intergovernmental receipts of \$192 were incorrectly reported as General Fund miscellaneous receipts of \$2,564;
- Street, Construction, Maintenance, and Repair Fund intergovernmental receipts of \$79 were incorrectly posted as intergovernmental receipts in the State Highway Fund; and
- Sewer Monthly Payments Fund charges for services receipts of \$276 were incorrectly posted as taxes receipts in the General Fund.

For the year ended December 31, 2015:

- General Fund intergovernmental receipts of \$351 were incorrectly reported as intergovernmental receipts of \$325 in the Street, Construction, Maintenance, and Repair Fund and \$26 in the State Highway Fund;
- Street, Construction, Maintenance, and Repair Fund intergovernmental receipts of \$317 and State Highway Fund intergovernmental receipts of \$26 were incorrectly reported as General Fund intergovernmental receipts of \$213 and miscellaneous receipts of \$130;
- Street Construction, Maintenance, and Repair Fund intergovernmental receipts of \$307 were incorrectly reported as State Highway Fund intergovernmental receipts;
- Street, Construction, Maintenance, and Repair Fund intergovernmental receipts of \$2,944 and State Highway Fund intergovernmental receipts of \$239 were incorrectly reported as General Fund intergovernmental receipts of \$241 and miscellaneous receipts of \$2,942; and

VILLAGE OF VINTON
GALLIA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-005 (Continued)

Material Weakness and Finding For Adjustment (Continued)

- General Fund interest disbursements of \$158 were incorrectly posted as Street, Construction, Maintenance, and Repair Fund interest disbursements of \$48 and Sewer Monthly Payments Fund interest disbursements of \$110.

For the year ended December 31, 2014:

- General Fund intergovernmental receipts of \$1,627 were incorrectly posted to the Street Maintenance and Repair Fund of \$1,505 and State Highway Fund of \$122;
- Street Construction, Maintenance, and Repair Fund intergovernmental receipts of \$1,126 were incorrectly posted as intergovernmental receipts in the General Fund;
- Street Construction, Maintenance, and Repair Fund intergovernmental receipts of \$279 were incorrectly posted as intergovernmental receipts in the State Highway Fund;
- Street Construction, Maintenance, and Repair Fund intergovernmental receipts of \$1,676 were incorrectly posted as miscellaneous receipts in the General Fund;
- State Highway Fund intergovernmental receipts of \$91 were incorrectly posted as intergovernmental receipts in the General Fund; and
- State Highway Fund intergovernmental receipts of \$135 were incorrectly posted as miscellaneous receipts in the General Fund.

For the year ended December 31, 2013:

- Sewer Monthly Payments Fund interest and fiscal charges of \$26 were incorrectly posted to General Fund general government;
- Sewer Monthly Payments Fund interest and fiscal charges in the amount of \$96 were incorrectly posted to the Street Construction, Maintenance, and Repair Fund as transportation disbursements; and
- Sewer Monthly Payments Fund charges for services receipts of \$2,570 were incorrectly posted to the General Fund as miscellaneous receipts.

For the year ended December 31, 2012:

- Sewer Monthly Payments Fund charges for services receipts of \$545 were incorrectly posted as taxes receipts in the General Fund.

In addition to the above errors, during 2018, the Village made a disbursement for a "Sewer Paving Project" in the amount of \$40,550 from the Sewer Reserve Fund in violation of Village Ordinance 2006-01, § 6(B)(3). Review of the invoice indicated that the project consisted of two separate projects. The first for \$31,800 for the paving of Keystone Road and the second for \$8,750 for the paving and painting of a basketball court. Based on the invoice, these disbursements do not meet the criteria of "repairing or replacing any damage to the System which may be caused by an unforeseen catastrophe."

The Fiscal Officer has not posted these current and prior audit adjustments to the Village records, and, therefore, they are not reflected in the accompanying financial statements.

VILLAGE OF VINTON
GALLIA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-005 (Continued)

Material Weakness and Finding For Adjustment (Continued)

In accordance with foregoing facts, a Finding for Adjustment is hereby issued against the Village's General Fund in the amount of \$15,696, the State Highway Fund in the amount of \$118, the Sewer Monthly Payments Fund in the amount of \$495, and the Street Construction Maintenance, and Repair Fund in the amount of \$24,241 in favor of the Sewer Reserve Fund in the amount of \$40,550.

The Fiscal Officer should review the Village handbook for guidance on the correct line items to post various receipts and disbursements to ensure the financial statements are complete and accurate. In addition, the Council should adopt policies and procedures including a final review of the financial statements and notes by the Fiscal Officer and Board of Trustees. The Village officials should also review the debt agreement and ensure that any disbursements from the applicable fund are approved by the USDA prior to disbursement. Lastly, the Village officials should develop a plan to begin making these past audit adjustments in order to accurately reflect Village fund balances.

Official's Response: The past mistakes, I will try to work on making these corrections.

VILLAGE OF VINTON
121 CLAY STREET
P.O. BOX 8
VINTON, OH 45686
vintonvillage@att.net
Mayor: Joshua Whealdon

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Noncompliance with Ohio Rev. Code § 2921.42(A)(1)	Not Corrected	Denver Bates has been on council a few years and started contracted labor in 2015. He does mowing, weed eating, plowing snow, painting and maintenance on Village equipment. He helps with the sewer plant operations. He is a very honest person and deserves the utmost respect of the Village residents. As of January 1, 2022, Denver Bates is no longer on council. His term expired and didn't seek reelection.
2018-002	Noncompliance with Ohio Rev. Code § 5705.41(D)	Not Corrected	I am trying my best and will do better. I'm still learning and will continue to keep learning. I will figure this out and make improvements.
2018-003	Noncompliance with Village Ordinance 2006-01, § 6(B)(3), Material Weakness and Finding for Adjustment	Not Corrected	We will work on these issues. Village makes monthly deposits into Debt Service, Debt Reserve and Payments Funds.
2018-004	Material Weakness - Approved budgetary amounts did not agree to the UAN system	Corrected	
2018-005	Material Weakness and Finding for Adjustment - Financial statement adjustments not posted	Not Corrected	The past mistakes, I will try to work on making these corrections.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF VINTON

GALLIA 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 2/8/2022

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