



**PERRY**

**& Associates CPAs**

**PASSION** *Beyond the Numbers*

**VILLAGE OF NEW VIENNA  
CLINTON COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2021-2020**



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Village of New Vienna  
97 West Main Street  
New Vienna, OH 45159

We have reviewed the *Independent Auditor's Report* of the Village of New Vienna, Clinton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2020 through December 31, 2021. 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.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of New Vienna is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 14, 2023

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VILLAGE OF NEW VIENNA  
CLINTON COUNTY

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## INDEPENDENT AUDITOR'S REPORT

Village of New Vienna  
Clinton County  
97 West Main Street  
New Vienna, Ohio 45159

To the Village Council:

### **Report on the Audit of the Financial Statements**

#### **Unmodified and Adverse Opinions**

We have audited the financial statements of the Village of New Vienna, Clinton County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

#### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the accompanying 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 years ended December 31, 2021 and 2020, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### **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* section of our report, the accompanying financial statements 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, 2021 and 2020, or the changes in the financial position or, where applicable, cash flows thereof for the years then ended.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 14 to the financial statements, in 2020 the Village adopted a change in accounting principle and removed the fund balance classification from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Fund Types. We did not modify our opinions regarding these matters.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

June 19, 2023

**VILLAGE OF NEW VIENNA  
CLINTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 48,325	\$ 98,365	\$ 146,690
Intergovernmental	28,631	259,334	287,965
Special Assessments	929	-	929
Fines, Licenses and Permits	1,566	195	1,761
Earnings on Investments	875	99	974
Miscellaneous	6,461	21,955	28,416
<i>Total Cash Receipts</i>	86,787	379,948	466,735
<b>Cash Disbursements</b>			
Current:			
Security of Persons & Property	19,488	123,026	142,514
Public Health Services	-	13,989	13,989
Leisure Time Activities	-	25,581	25,581
Basic Utility Services	2,386	-	2,386
Transportation	-	103,310	103,310
General Government	45,177	-	45,177
Debt Service:			
Principal Retirement	-	9,962	9,962
Interest and Fiscal Charges	-	1,339	1,339
<i>Total Cash Disbursements</i>	67,051	277,207	344,258
<i>Net Change in Fund Cash Balances</i>	19,736	102,741	122,477
<i>Fund Cash Balances, January 1</i>	28,557	271,895	300,452
<i>Fund Cash Balances, December 31</i>	\$ 48,293	\$ 374,636	\$ 422,929

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

**VILLAGE OF NEW VIENNA  
CLINTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 593,551
Miscellaneous	10,739
<i>Total Operating Cash Receipts</i>	604,290
<b>Operating Cash Disbursements</b>	
Personal Services	72,845
Fringe Benefits	11,259
Contractual Services	204,408
Supplies and Materials	86,072
Other	5,388
<i>Total Operating Cash Disbursements</i>	379,972
<i>Operating Income (Loss)</i>	224,318
<b>Non-Operating Receipts (Disbursements)</b>	
Other Debt Proceeds	535
Miscellaneous Receipts	1,267
Capital Outlay	(61,572)
Principal Retirement	(86,779)
Interest and Other Fiscal Charges	(36,101)
<i>Total Non-Operating Receipts (Disbursements)</i>	(182,650)
<i>Income (Loss) before Transfers</i>	41,668
Transfers In	138,000
Transfers Out	(138,000)
<i>Net Change in Fund Cash Balance</i>	41,668
<i>Fund Cash Balances, January 1</i>	656,551
<i>Fund Cash Balances, December 31</i>	\$ 698,219

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

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Village of New Vienna (the Village), Clinton 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 road maintenance, water and sewer utilities, and police services.

***Jointly Governed Organizations and Public Entity Risk Pools***

The Village participates in a jointly governed organization and a public entity risk pool. Notes 7 and 12 to the financial statements provide additional information for these entities. 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.

***Police Levy Fund*** This fund receives tax revenue to provide security of persons and property.

***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:

***Water Fund*** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

***Sewer Fund*** The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

***Trash Fund*** The Trash Fund accounts for the provision of trash services to the residents and commercial users within the Village.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2021*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***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 Section 117-2-03 (C). 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 Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) 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. 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 Village 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 2021 budgetary activity appears in Note 4.

***Deposits and Investments***

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

***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.

***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.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2021*

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**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 13.

**Note 3 – Compliance**

Contrary to Ohio law, the Village did not file an appropriation measure with the county auditor for the year ended December 31, 2021.

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in all funds for the year ended December 31, 2021.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2021**

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 82,465	\$ 86,787	\$ 4,322
Special Revenue	170,750	379,948	209,198
Enterprise	774,250	744,092	(30,158)
Total	<u>\$ 1,027,465</u>	<u>\$ 1,210,827</u>	<u>\$ 183,362</u>

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 67,636	\$ (67,636)
Special Revenue	-	280,620	(280,620)
Enterprise	-	716,238	(716,238)
Total	<u>\$ -</u>	<u>\$ 1,064,494</u>	<u>\$ (1,064,494)</u>

**Note 5 – Deposits and Investments**

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 and investment accounts are as follows:

	2021
Demand deposits	\$ 1,016,058
Certificates of deposit	105,090
Total deposits	<u>\$ 1,121,148</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Village is holding \$3,372 in unremitted employee payroll withholdings.

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2021*

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**Note 6 – 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**Note 7 – 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 Village'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:

	2021
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$ 14,974,099

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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, 2021.



**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2021*

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**Note 8 – Defined Benefit Pension Plans (Continued)**

**Social Security**

Two Village 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 Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

**Note 9 – 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 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021.

**Note 10 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
OWDA Water System Improvement Loan - 3732	\$ 117,978	5.14%
OWDA Sewer Planning & Design Loan - 4532	232,761	3.92%
OWDA Sewer Construction Loan - 3511	113,783	5.74%
OWDA Pump Station Renovation Loan - 5434	37,387	0.00%
OPWC Water System Repair and Replacement Loan - CJ11F	14,582	0.00%
USDA First Mortgage Water Revenue Loan	66,000	5.00%
USDA First Mortgage Sewer Revenue Loan	219,000	5.00%
Peoples Bank Used Auto Loan	9,960	4.60%
Peoples Bank New Auto Loan	21,212	4.40%
OWDA Drinking Water Loan - 9506	535	0.00%
Total	<u>\$ 833,198</u>	

The Ohio Water Development Authority (OWDA) loan 3732 relates to a water system improvement project. The OWDA approved the loan in September 2002 in the amount of \$190,000. During the construction of the project, certain interest was capitalized to the loan bringing the original loan amount, including capitalized interest, to \$196,365. The balance, plus interest, is to be repaid over a period of 30 years at an interest rate of 5.14% with semi-annual payments (January 1st and July 1st) beginning in 2005. Loan repayments were made through the Enterprise Water Debt Service Fund. The balance of this loan as of December 31, 2021 is \$117,978.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2021*

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**Note 10 – Debt (Continued)**

The OWDA approved loan 4532 in July 2001 in the amount of \$187,600 for Sewer System Planning and design. During the construction of the project certain amounts were encumbered by OWDA, but not disbursed totaling \$23,297. Interest was capitalized on the loan, during construction, bringing the original loan amount, including capitalized interest as of December 31, 2005 to \$199,323. The OWDA Sewer System Planning & Design loan with a principal balance of \$199,323 was rolled into the Sewer Improvement Project (Huhtamaki) which was completed in 2007. The principal amount financed by the Village at December 31, 2007 was \$354,167. The interest rate has been established at 3.92% and will have a term of thirty years. Loans were repaid through the Enterprise Sewer Debt Service Fund. The balance of this loan as of December 31, 2021 is \$232,761.

The OWDA Sewer Construction loan 3511 relates to a sewer pump station rehabilitation project. The OWDA approved the loan in July 2001, in the amount of \$196,685. During the construction of the project, certain interest was capitalized to the loan bringing the original loan amount, including capitalized interest, to \$200,582. The balance, plus interest, is to be repaid over a period of 30 years at an interest rate of 5.74% with semi-annual payments (January 1st and July 1st) beginning in 2005. Loan repayments were made through the Enterprise Sewer Debt Service Fund. The balance of this loan as of December 31, 2021 is \$113,783.

The OWDA approved loan 5434 on October 29, 2009 in the amount of \$83,081 for the Pump Station Renovation Project. The term of the loan is for 20 years with an interest rate of 5.00% beginning on January 1, 2011 and ending July 1, 2030. As of December 31, 2016, the Village had principal outstanding of \$58,157. In conjunction with the loan, the Village was awarded an ARRA grant for the Pump Station Renovation Project in the amount of \$249,244. As of December 31, 2009, \$16,250 of the ARRA funds were disbursed for the Project's design. Loan payments were made through the Sewer Debt Service Fund. The balance of this loan as of December 31, 2021 is \$37,387.

The OWDA approved loan 9506 on August 21, 2021 in the amount of \$40,135 for the Drinking Water Project. The term of the loan is for 5 years with an interest rate of 0.00% beginning on July 1, 2023 and ending January 1, 2028. As of December 31, 2021, OWDA had not yet distributed the funds to the Village. Therefore, there is not a finalized Amortization Schedule. The balance of this loan as of December 31, 2021 is \$535.

Water and sewer receipts collateralize the OWDA loans. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Ohio Public Works Commission (OPWC) loan was part of a grant/loan acquired through the OPWC's State Capital Improvement Program for a Water System Repair and Replacement project. The project agreement was approved in July 2002. The purpose of the grant/loan was to extend current waterlines, add a booster station, and make upgrades to the water treatment plant. The OPWC paid \$200,000, in the form of a grant to the Village, directly to the contractor/vendor in 2003. The Village received a loan in an amount up to \$100,000 with an interest rate of 0% to be repaid over a period of 20 year. The OPWC paid \$17,865 (in 2003) and \$43,958 (in 2004) directly to the contractor/vendor. The OPWC paid \$35,387 to the Village for costs associated with the project. The original loan balance to be repaid by the Village totals \$97,210. Repayment of the loan began in 2005 with equal, semi-annual payments. Loan repayments were made through the Enterprise Water Debt Service Fund. The balance of this loan as of December 31, 2021 is \$14,582.

The Farmer's Home Administration (FmHA) loan was initiated in October 1984 in the amount of \$416,000, at an interest rate of 5.00%. This loan, plus interest, was set to be repaid over a period of 40 year, with annual payments. Loan repayments were made through the Enterprise Water Debt Service Fund. The loan agreement between the Village and the FmHA requires that a reserve fund be established equal to one annual payment. This reserve fund is to be funded at the rate of 1/10th of an annual payment per year for 10 years. The Village established this reserve fund in 2009. The balance of this loan as of December 31, 2021 is \$66,000.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2021*

**Note 10 – Debt (Continued)**

The Farmer Home Administration (FmHA) loan was initiated in October 1988 in the amount of \$638,000, at an interest rate of 5.00%. This loan was acquired for the purpose of constructing a wastewater treatment plant and installing sewer lines throughout the Village. This loan, plus interest, was set to be repaid over a period of 40 years, with annual payments. Loan repayments were made through the Enterprise Sewer Debt Service Fund. The loan agreement between the Village and the FmHA requires that a reserve fund be established equal to one annual payment. The Village established a reserve fund in 2009. The balance of this loan as of December 31, 2021 is \$219,000.

The Peoples Bank loan was initiated in April 2018 in the amount of \$34,565. The loan was acquired to finance a new vehicle. The loan was set to be repaid over a period of 5 years at an interest rate of 4.60%. Loan repayments were made through the Street Construction, Maintenance and Repair, Sewer and Water Funds. The balance of this loan as of December 31, 2021 is \$9,960.

The Peoples Bank loan was initiated in April 2016 in the amount of \$24,534. The loan was acquired to finance a police cruiser. The loan was set to be repaid over a period of 5 years at an interest rate of 4.40%. Loan repayments were made through the Police Fund. The balance of this loan as of December 31, 2021 is \$21,212.

**Amortization**

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

Year Ending December 31:	OWDA 3732	OWDA 4532	OWDA 3511	OWDA 5434	OWDA 9506
2022	\$ 11,584	\$ 20,180	\$ 12,147	\$ 4,154	\$ -
2023	11,664	20,180	12,282	4,154	-
2024	11,748	20,180	12,426	4,154	535
2025	11,837	20,180	12,577	4,154	-
2026	11,930	20,180	12,738	4,154	-
2027-2031	61,228	100,902	66,442	16,617	-
2032-2036	31,753	100,902	13,917	-	-
2037-2041	-	10,090	-	-	-
Total	<u>\$ 151,744</u>	<u>\$ 312,794</u>	<u>\$ 142,529</u>	<u>\$ 37,387</u>	<u>\$ 535</u>

Year Ending December 31:	OPWC CJ11F	USDA Water	USDA Sewer	Peoples New Auto	Peoples Used Auto
2022	\$ 4,861	\$ 24,300	\$ 37,950	\$ 7,765	\$ 8,711
2023	4,860	24,250	37,600	2,313	8,711
2024	4,861	24,150	38,200	-	6,082
2025	-	-	37,700	-	-
2026	-	-	38,150	-	-
2027-2031	-	-	75,300	-	-
Total	<u>\$ 14,582</u>	<u>\$ 72,700</u>	<u>\$ 264,900</u>	<u>\$ 10,078</u>	<u>\$ 23,504</u>

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2021*

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**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Jointly Governed Organizations**

The Clinton Highland Joint Fire District, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a five-member Board of Trustees. The Board consists of one representative from each political subdivision within the District. The Clinton Highland Joint Fire District is comprised of Green Township and Wayne Township in Clinton County; Union Township and Penn Township in Highland County; and the Village of New Vienna in Clinton County. The District provides fire protection and rescue services within the District and contracts with certain areas outside of the District.

**Note 13 – Fund Balances**

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 facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 585	\$ 3,413	\$ 3,998

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

**Note 14 – 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**VILLAGE OF NEW VIENNA  
CLINTON 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)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 42,363	\$ 91,677	\$ 134,040
Intergovernmental	27,654	178,908	206,562
Special Assessments	895	582	1,477
Fines, Licenses and Permits	961	582	1,543
Earnings on Investments	1,566	158	1,724
Miscellaneous	106,829	1,116	107,945
<i>Total Cash Receipts</i>	180,268	273,023	453,291
<b>Cash Disbursements</b>			
Current:			
Security of Persons & Property	20,059	41,728	61,787
Public Health Services	-	86,531	86,531
Leisure Time Activities	-	27,057	27,057
Basic Utility Services	7,982	-	7,982
Transportation	-	104,264	104,264
General Government	49,383	-	49,383
Capital Outlay	-	1,240	1,240
Debt Service:			
Principal Retirement	-	9,518	9,518
Interest and Fiscal Charges	-	1,781	1,781
<i>Total Cash Disbursements</i>	77,424	272,119	349,543
<i>Excess of Receipts Over (Under) Disbursements</i>	102,844	904	103,748
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	-	96,000	96,000
Transfers Out	(96,000)	-	(96,000)
<i>Total Other Financing Receipts (Disbursements)</i>	(96,000)	96,000	-
<i>Net Change in Fund Cash Balances</i>	6,844	96,904	103,748
<i>Fund Cash Balances, January 1 (Restated, See Note 16)</i>	21,713	174,991	196,704
<i>Fund Cash Balances, December 31</i>	\$ 28,557	\$ 271,895	\$ 300,452

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

**VILLAGE OF NEW VIENNA  
CLINTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 628,330
Miscellaneous	2,096
	<u>630,426</u>
<i>Total Operating Cash Receipts</i>	<u>630,426</u>
<b>Operating Cash Disbursements</b>	
Personal Services	72,201
Fringe Benefits	11,442
Contractual Services	175,291
Supplies and Materials	75,901
Other	6,304
	<u>341,139</u>
<i>Total Operating Cash Disbursements</i>	<u>341,139</u>
<i>Operating Income (Loss)</i>	<u>289,287</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Miscellaneous Receipts	939
Capital Outlay	(19,502)
Principal Retirement	(77,568)
Interest and Other Fiscal Charges	(39,407)
	<u>(135,538)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(135,538)</u>
<i>Income (Loss) before Transfers</i>	<u>153,749</u>
Transfers In	138,000
Transfers Out	(138,000)
	<u>153,749</u>
<i>Net Change in Fund Cash Balance</i>	<u>153,749</u>
<i>Fund Cash Balances, January 1</i>	<u>502,802</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 656,551</u></u>

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

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The Village of New Vienna (the Village), Clinton 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 road maintenance, water and sewer utilities, and police services.

***Jointly Governed Organizations and Public Entity Risk Pools***

The Village participates in a jointly governed organization, and a public entity risk pool. Notes 7 and 12 to the financial statements provide additional information for these entities. 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.

***CARES Act Fund*** The CARES Act Fund accounts for intergovernmental funds received for the purpose of emergency relief due to the coronavirus pandemic.

***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:

***Water Fund*** The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

***Sewer Fund*** The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

***Trash Fund*** The Trash Fund accounts for the provision of trash services to the residents and commercial users within the Village.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2020*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***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 Section 117-2-03 (C). 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 Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) 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. 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 Village 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 budgetary activity appears in Note 4.

***Deposits and Investments***

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

***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.

***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.



**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2020*

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**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 13.

**Note 3 – Compliance**

Contrary to Ohio law, the Village did not certify to the county auditor the total amount from all sources available for expenditures from each fund for the year ended December 31, 2020.

Contrary to Ohio law, the Village did not file an appropriation measure with the county auditor for the year ended December 31, 2020.

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in all funds for the year ended December 31, 2020.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**Note 4 – Budgetary Activity**

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 180,268	\$ 180,268
Special Revenue	-	369,023	369,023
Enterprise	-	769,365	769,365
Total	\$ -	\$ 1,318,656	\$ 1,318,656

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 174,140	\$ (174,140)
Special Revenue	-	274,618	(274,618)
Enterprise	-	638,976	(638,976)
Total	\$ -	\$ 1,087,734	\$ (1,087,734)

**Note 5 – Deposits and Investments**

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 and investment accounts are as follows:

Demand deposits	2020 \$ 852,067
Certificates of deposit	104,936
Total deposits	\$ 957,003

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Village is holding \$3,010 in unremitted employee payroll withholdings.

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2020*

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**Note 6 – 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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**Note 7 – 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 Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement 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:

	2020
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$ 14,111,510

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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 New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2020*

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**Note 8 – Defined Benefit Pension Plans (Continued)**

**Social Security**

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

**Note 9 – 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 10 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Water System Improvement Loan - 3732	\$ 124,569	5.14%
OWDA Sewer Planning & Design Loan - 4532	243,500	3.92%
OWDA Sewer Construction Loan - 3511	121,033	5.74%
OWDA Pump Station Renovation Loan - 5434	41,541	0.00%
OPWC Water System Repair & Replacement Loan - CJ11F	21,872	0.00%
USDA First Mortgage Water Revenue Loan	86,000	5.00%
USDA First Mortgage Sewer Revenue Loan	245,000	5.00%
Peoples Bank Used Auto Loan - 7655	17,093	4.60%
Peoples Bank New Auto Loan - 1415	28,796	4.40%
Total	<u>\$ 929,404</u>	

The Ohio Water Development Authority (OWDA) loan 3732 relates to a water system improvement project. The OWDA approved the loan in September 2002 in the amount of \$190,000. During the construction of the project, certain interest was capitalized to the loan bringing the original loan amount, including capitalized interest, to \$196,365. The balance, plus interest, is to be repaid over a period of 30 years at an interest rate of 5.14% with semi-annual payments (January 1st and July 1st) beginning in 2005. Loan repayments were made through the Enterprise Water Debt Service Fund. The balance of this loan as of December 31, 2020 is \$124,569.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2020*

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**Note 10 – Debt (Continued)**

The OWDA approved loan 4532 in July 2001 in the amount of \$187,600 for Sewer System Planning and design. During the construction of the project certain amounts were encumbered by OWDA, but not disbursed totaling \$23,297. Interest was capitalized on the loan, during construction, bringing the original loan amount, including capitalized interest as of December 31, 2005 to \$199,323. The OWDA Sewer System Planning & Design loan with a principal balance of \$199,323 was rolled into the Sewer Improvement Project (Huhtamaki) which was completed in 2007. The principal amount financed by the Village at December 31, 2007 was \$354,167. The interest rate has been established at 3.92% and will have a term of thirty years. Loans were repaid through the Enterprise Sewer Debt Service Fund. The balance of this loan as of December 31, 2020 is \$243,500.

The OWDA Sewer Construction loan 3511 relates to a sewer pump station rehabilitation project. The OWDA approved the loan in July 2001, in the amount of \$196,685. During the construction of the project, certain interest was capitalized to the loan bringing the original loan amount, including capitalized interest, to \$200,582. The balance, plus interest, is to be repaid over a period of 30 years at an interest rate of 5.74% with semi-annual payments (January 1st and July 1st) beginning in 2005. Loan repayments were made through the Enterprise Sewer Debt Service Fund. The balance of this loan as of December 31, 2020 is \$121,033.

The OWDA approved loan 5434 on October 29, 2009 in the amount of \$83,081 for the Pump Station Renovation Project. The term of the loan is for 20 years with an interest rate of 5.00% beginning on January 1, 2011 and ending July 1, 2030. As of December 31, 2016, the Village had principal outstanding of \$58,157. In conjunction with the loan, the Village was awarded an ARRA grant for the Pump Station Renovation Project in the amount of \$249,244. As of December 31, 2009, \$16,250 of the ARRA funds were disbursed for the Project's design. During the prior audit period, the remaining \$232,994 was disbursed. Loan payments were made through the Sewer Debt Service Fund. The balance of this loan as of December 31, 2020 is \$41,541.

Water and sewer receipts collateralize the OWDA loans. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Ohio Public Works Commission (OPWC) loan was part of a grant/loan acquired through the OPWC's State Capital Improvement Program for a Water System Repair and Replacement project. The project agreement was approved in July 2002. The purpose of the grant/loan was to extend current waterlines, add a booster station, and make upgrades to the water treatment plant. The OPWC paid \$200,000, in the form of a grant to the Village, directly to the contractor/vendor in 2003. The Village received a loan in an amount up to \$100,000 with an interest rate of 0% to be repaid over a period of 20 year. The OPWC paid \$17,865 (in 2003) and \$43,958 (in 2004) directly to the contractor/vendor. The OPWC paid \$35,387 to the Village for costs associated with the project. The original loan balance to be repaid by the Village totals \$97,210. Repayment of the loan began in 2005 with equal, semi-annual payments. Loan repayments were made through the Enterprise Water Debt Service Fund. The balance of this loan as of December 31, 2020 is \$21,782.

The Farmer's Home Administration (FmHA) loan was initiated in October 1984 in the amount of \$416,000, at an interest rate of 5%. This loan, plus interest, was set to be repaid over a period of 40 year, with annual payments. Loan repayments were made through the Enterprise Water Debt Service Fund. The loan agreement between the Village and the FmHA requires that a reserve fund be established equal to one annual payment. This reserve fund is to be funded at the rate of 1/10th of an annual payment per year for 10 years. The Village established this reserve fund in 2009. The balance of this loan as of December 31, 2020 is \$86,000.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2020*

**Note 10 – Debt (Continued)**

The Farmer Home Administration (FmHA) loan was initiated in October 1988 in the amount of \$638,000, at an interest rate of 5%. This loan was acquired for the purpose of constructing a wastewater treatment plant and installing sewer lines throughout the Village. This loan, plus interest, was set to be repaid over a period of 40 years, with annual payments. Loan repayments were made through the Enterprise Sewer Debt Service Fund. The loan agreement between the Village and the FmHA requires that a reserve fund be established equal to one annual payment. The Village established a reserve fund in 2009. The balance of this loan as of December 31, 2020 is \$245,000.

The Peoples Bank loan was initiated in April 2018 in the amount of \$34,565. The loan was acquired to finance a new vehicle. The loan was set to be repaid over a period of 5 years at an interest rate of 4.60%. Loan repayments were made through the Street Construction, Maintenance and Repair, Sewer and Water Funds. The balance of this loan as of December 31, 2020 is \$17,093.

The Peoples Bank loan was initiated in April 2016 in the amount of \$24,534. The loan was acquired to finance a police cruiser. The loan was set to be repaid over a period of 5 years at an interest rate of 4.59%. Loan repayments were made through the Police Fund. The balance of this loan as of December 31, 2020 is \$28,796.

**Amortization**

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

Year Ending December 31:	OWDA 3732	OWDA 4532	OWDA 3511	OWDA 5434	OPWC CJ11F
2021	\$ 11,508	\$ 20,180	\$ 12,019	\$ 4,154	\$ 4,860
2022	11,584	20,180	12,147	4,154	4,860
2023	11,664	20,180	12,282	4,154	4,860
2024	11,748	20,180	12,426	4,154	4,862
2025	11,837	20,180	12,577	4,154	2,430
2026-2030	60,684	100,902	65,488	20,771	-
2031-2035	44,228	100,902	27,608	-	-
2036-2040	-	30,271	-	-	-
Total	<u>\$ 163,253</u>	<u>\$ 332,975</u>	<u>\$ 154,547</u>	<u>\$ 41,541</u>	<u>\$ 21,872</u>

Year Ending December 31:	USDA Sewer	USDA Water	Peoples New Auto	Peoples Used Auto
2021	\$ 38,250	\$ 24,300	\$ 7,765	\$ 8,712
2022	37,950	24,300	7,765	8,712
2023	37,600	24,250	2,313	8,712
2024	38,200	24,150	-	6,082
2025	37,700	-	-	-
2026-2030	113,450	-	-	-
Total	<u>\$ 303,150</u>	<u>\$ 97,000</u>	<u>\$ 17,843</u>	<u>\$ 32,218</u>

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2020*

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**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Jointly Governed Organizations**

The Clinton Highland Joint Fire District, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a five-member Board of Trustees. The Board consists of one representative from each political subdivision within the District. The Clinton Highland Joint Fire District is comprised of Green Township and Wayne Township in Clinton County; Union Township and Penn Township in Highland County; and the Village of New Vienna in Clinton County. The District provides fire protection and rescue services within the District and contracts with certain areas outside of the District.

**Note 13 – Fund Balances**

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 facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$ 716	\$ 2,499	\$ 3,215

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

**Note 14 – Change in Accounting Principles**

For 2020, the Village has made changes to their cash basis reporting model. These changes include removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

**Note 15 – 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received \$100,520 as an on-behalf of grant from another government. These amounts are recorded in the CARES Act Fund.

**Village of New Vienna, Ohio**  
*Clinton County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2020*

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**Note 16 – Restatement of Fund Balances**

During 2020, General and Special Revenue Funds were restated to account for a disbursement that was incorrectly posted in 2019 and corrected by the Village in 2020. The following changes effected the beginning balance as such for the year ended December 31, 2020:

	General	Special Revenue
Balance as of December 31, 2019	\$ 26,454	\$ 170,250
To correct for posting errors	(4,741)	4,741
Balance as of January 1, 2020	<u>\$ 21,713</u>	<u>\$ 174,991</u>



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

Village of New Vienna  
Clinton County  
97 West Main Street  
New Vienna, Ohio 45159

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of the Village of New Vienna, Clinton County, (the Village) and have issued our report thereon dated June 19, 2023, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the Village adopted a change in accounting principle and removed the fund balance classification from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2021-001, 2021-002, and 2021-003 that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2021-002.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

June 19, 2023

VILLAGE OF NEW VIENNA  
CLINTON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

FINDING NUMBER 2021-001

**Material Weakness**

**Financial Reporting**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- A County grant receipt was recorded in the Legacy Fund as Miscellaneous instead of Intergovernmental in 2021;
- American Rescue Plan receipt recorded as Miscellaneous instead of Intergovernmental in 2021;
- State Highway fund portion of County Auto License receipt improperly recorded in the Street fund in 2020;
- County Auto License receipt not properly allocated between the Street and State Highway funds in 2020;
- Interest earned on investments not recorded in the accounting system in 2021 or 2020;
- Debt Proceeds and corresponding Capital Outlay were not recorded in the Water Debt Service Fund for OWDA proceeds in 2021;
- CARES Act funds misclassified as Miscellaneous instead of Intergovernmental in 2020; and
- State Rollback receipt in the General fund was misclassified as Property and Other Local Taxes instead of Intergovernmental in 2020.

Not posting receipts and disbursements resulted in the financial statements requiring several reclassification and adjusting entries. The Financial Statements reflect all reclassifications and adjustments. The Village has made these adjustments to their accounting system.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Officials' Response** – We did not receive a response to this finding.

VILLAGE OF NEW VIENNA  
CLINTON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

FINDING NUMBER 2021-002

**Material Weakness/Noncompliance**

**Budgetary Controls**

The budget is an instrument of public policy: A governing board expresses its desires for using a government's limited resources through its appropriations. Ohio Revised Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

In performing the audit, we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead to the Village making financial decisions based on incorrect or incomplete information. We noted the following:

- **Violations of 5705.36** – The Village did not certify to the County Budget Commission the total amount from all sources available for expenditures from each fund for 2020;
- **Violations of 5705.39** – The Village did not file an appropriation measure with the County Budget Commission to receive a certificate stating that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate for 2021 or 2020; and
- **Violations of 5705.41(B)** – the Village did not have an effective appropriation measure as certified by the County Budget Commission for any fund for 2021 or 2020; therefore, appropriation amounts were effectively zero.

Although Council approves budgets for revenue and expenses and receives monthly reports of budget and actual information, it does not ensure that budgetary forms are properly completed and submitted to the County Budget Commission timely.

Council should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the Village is complying with applicable sections.

**Officials' Response** – We did not receive a response to this finding.

VILLAGE OF NEW VIENNA  
CLINTON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

FINDING NUMBER 2021-003

**Material Weakness**

**Bank Reconciliations**

The Fiscal Officer did not prepare accurate monthly reconciliations of bank balances to accounting system balances. Outstanding checks greater than one year and other reconciling items were included on the initial bank reconciliation of the Village and carried forward throughout the audit period. CD balances were also not updated in the accounting system to reflect interest earned.

We recommend the Fiscal Officer prepare detailed bank reconciliations that include all bank account balances being reconciled to total accounting system balance. Copies of bank reconciliations should be presented to the Village Council for review, approval, and use in managing the Village. The Fiscal Officer should reconcile activity entered in the accounting system to the bank balance and errors should be corrected in a timely manner. We also recommend the Village investigate old outstanding checks to determine if they should be voided or placed in unclaimed funds.

**Officials' Response** – We did not receive a response to this finding.

**VILLAGE OF NEW VIENNA  
CLINTON COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2021 AND 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Financial Reporting	Not Corrected	Repeated as Finding 2021-001
2019-002	Bank Reconciliations	Not Corrected	Repeated as Finding 2021-003
2019-003	Budgetary Controls	Not Corrected	Repeated as Finding 2021-002

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF NEW VIENNA**

**CLINTON 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 9/26/2023**

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](http://www.ohioauditor.gov)