



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF VANLUE
HANCOCK COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of Vanlue
Hancock County
127 Center Street
P.O. Box 77
Vanlue, Ohio 45890-0077

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 Vanlue, Hancock 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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, or the changes in 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.

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 *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.
- 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 November 6, 2025, 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.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 6, 2025

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Village of Vanlue, Ohio
Hancock County
*Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Regulatory Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2024

| | General | Special Revenue | Capital Projects | Combined Total |
|---|------------------|--------------------|---------------------|-------------------|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$11,572 | | | \$11,572 |
| Municipal Income Tax | 93,597 | | \$21,941 | 115,538 |
| Intergovernmental | 38,855 | \$23,764 | | 62,619 |
| Special Assessments | | 20,638 | | 20,638 |
| Licenses, Permits and Fees | 400 | | | 400 |
| Earnings on Investments | 11,177 | 1,363 | | 12,540 |
| Miscellaneous | 446 | 1,194 | 2,234 | 3,874 |
| <i>Total Cash Receipts</i> | <i>156,047</i> | <i>46,959</i> | <i>24,175</i> | <i>227,181</i> |
| Cash Disbursements | | | | |
| Current: | | | | |
| Security of Persons and Property | 22,849 | 15,035 | | 37,884 |
| Leisure Time Activities | 4,490 | | | 4,490 |
| Community Environment | 506 | | | 506 |
| Basic Utility Services | 224 | 3,673 | | 3,897 |
| Transportation | 2,157 | 52,767 | | 54,924 |
| General Government | 50,600 | | | 50,600 |
| Capital Outlay | | | 8,935 | 8,935 |
| <i>Total Cash Disbursements</i> | <i>80,826</i> | <i>71,475</i> | <i>8,935</i> | <i>161,236</i> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <i>75,221</i> | <i>(24,516)</i> | <i>15,240</i> | <i>65,945</i> |
| Other Financing Receipts (Disbursements) | | | | |
| Transfers In | | 20,000 | | 20,000 |
| Transfers Out | (20,000) | | | (20,000) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <i>(20,000)</i> | <i>20,000</i> | | |
| <i>Net Change in Fund Cash Balances</i> | <i>55,221</i> | <i>(4,516)</i> | <i>15,240</i> | <i>65,945</i> |
| <i>Fund Cash Balances, January 1</i> | <i>375,985</i> | <i>109,799</i> | <i>71,203</i> | <i>556,987</i> |
| <i>Fund Cash Balances, December 31</i> | <i>\$431,206</i> | <i>\$105,283</i> | <i>\$86,443</i> | <i>\$622,932</i> |

See accompanying notes to the basic financial statements

Village of Vanlue, Ohio
Hancock County
*Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Regulatory Cash Basis)*
All Proprietary Fund Types
For the Year Ended December 31, 2024

| | <u>Enterprise</u> |
|---|-------------------|
| Operating Cash Receipts | |
| Charges for Services | <u>\$204,432</u> |
| Operating Cash Disbursements | |
| Personal Services | 38,008 |
| Employee Fringe Benefits | 6,987 |
| Contractual Services | 44,533 |
| Supplies and Materials | 53,198 |
| Other | <u>130</u> |
| <i>Total Operating Cash Disbursements</i> | <u>142,856</u> |
| Operating Income | <u>61,576</u> |
| Non-Operating Receipts (Disbursements) | |
| Miscellaneous Receipts | 3,955 |
| Principal Retirement | (52,116) |
| Interest and Other Fiscal Charges | <u>(38,324)</u> |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>(86,485)</u> |
| <i>Net Change in Fund Cash Balances</i> | <u>(24,909)</u> |
| <i>Fund Cash Balances, January 1</i> | <u>581,612</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$556,703</u> |

See accompanying notes to the basic financial statements

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of Vanlue (the Village), Hancock County, Ohio 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 water and sewer utilities and park operations. The Village contracts with the Hancock County Sheriff's department to provide security of persons and property. The Village contracts with Vanlue Volunteer Fire Department to receive fire protection services.

Public Entity Risk Pool

The Village participates in a 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.

Street Lighting Fund The street lighting fund accounts for and reports special assessments that are restricted to offset the cost of electricity for the Village's street lights and trimming of Village trees.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Other Capital Projects Fund The other capital projects fund accounts for and reports distributions to fund improvement projects in the Village.

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

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

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 Village recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code 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 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 carried over and need not be reappropriated.

A summary of 2024 budgetary activity appears in Note 3.

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.

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

| Fund Type | 2024 Budgeted vs. Actual Receipts | | |
|------------------|-----------------------------------|-------------------------|-----------------------|
| | Budgeted Receipts | Actual Receipts | Variance |
| General | \$149,665 | \$156,047 | \$6,382 |
| Special Revenue | 55,500 | 66,959 | 11,459 |
| Capital Projects | 12,500 | 24,175 | 11,675 |
| Enterprise | 229,546 | 208,387 | (21,159) |
| Total | <u><u>\$447,211</u></u> | <u><u>\$455,568</u></u> | <u><u>\$8,357</u></u> |

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2024

| 2024 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|-------------------------|------------------------|-----------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$150,048 | \$100,826 | \$49,222 |
| Special Revenue | 91,302 | 71,475 | 19,827 |
| Capital Projects | 33,935 | 8,935 | 25,000 |
| Enterprise | 237,864 | 233,296 | 4,568 |
| Total | \$513,149 | \$414,532 | \$98,617 |

Note 4 – 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:

| | 2024 |
|---|--------------------|
| Cash Management Pool: | |
| Demand deposits | \$979,635 |
| Certificates of deposit | 200,000 |
| Total carrying amount of deposits held in the Pool | \$1,179,635 |

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, 2024, the Village was not holding any 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.

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.

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.

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

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 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 actuarially-measured liabilities and assets available to pay those liabilities as of December 31:

| <u>2024</u> | |
|-----------------------|---------------|
| Cash and investments | \$ 48,150,572 |
| Actuarial liabilities | \$ 22,652,556 |

Note 7 – 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, 2024.

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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, 2024.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

| | Principal | Interest Rate |
|---|--------------------|---------------|
| Mortgage Reveue Bonds (USDA Loan #04) | \$1,476,614 | 2.50% |
| Ohio Water Development Authority Loan #5731 | 29,525 | 1.50% |
| Ohio Public Works Commission Loan #CM08J | 67,500 | 0.00% |
| Ohio Public Works Commission Loan #CT430 | 11,813 | 0.00% |
| Total | \$1,585,452 | |

The United States Department of Agriculture (USDA) loan #04 relates to the water distribution system. The Village will repay the loan of \$1,876,000 in annual installments over 40 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover USDA debt service requirements. The mortgage revenue bond covenant requires the Village to establish and fund a debt service reserve fund, included as a water debt reserve fund. The balance in the fund at December 31, 2024 is \$76,156.

The Ohio Water Development Authority (OWDA) loan #5731 relates to a cooperative agreement with the OWDA. The loan was for the construction of the water treatment plant and distribution system. The Village will repay the loan of \$185,000 in semiannual installments over 30 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan #CM08J relates to the water distribution system. The Village will repay the loan of \$225,000 in semiannual installments over 20 years. The loan is collateralized by water receipts.

The Ohio Public Works Commission (OPWC) loan #CT430 was for the replacement of the wastewater pump lift station. The Village will repay the loan of \$27,794 in semiannual installments over 20 years. The loan is collateralized by sewer receipts.

Amortization

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

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2024

| Year Ending December 31: | USDA Loan #04 | OWDA Loan #5731 | OPWC Loan #CM08J | OPWC Loan #CT430 |
|-----------------------------|--------------------|--------------------|---------------------|---------------------|
| 2025 | \$75,878 | \$2,027 | \$11,250 | \$1,390 |
| 2026 | 75,878 | 2,027 | 11,250 | 1,390 |
| 2027 | 75,878 | 2,027 | 11,250 | 1,390 |
| 2028 | 75,785 | 2,027 | 11,250 | 1,389 |
| 2029 | 75,878 | 2,027 | 11,250 | 1,390 |
| 2030-2034 | 379,308 | 10,133 | 11,250 | 4,864 |
| 2035-2039 | 379,321 | 10,133 | | |
| 2040-2044 | 379,298 | 3,040 | | |
| 2045-2049 | 379,369 | | | |
| 2050-2051 | 151,756 | | | |
| Total | <u>\$2,048,349</u> | <u>\$33,441</u> | <u>\$67,500</u> | <u>\$11,813</u> |

Note 10 – 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 11 – Fund Balances

The fund balance of special revenue funds is either restricted or committed. The fund balance of the capital projects fund is restricted.

Note 12 – Miscellaneous Revenues

During 2024, the Village received significant Capital Project Fund miscellaneous revenues consisting of mower payments from the Vanlue Community Organization.

Note 13 – Subsequent Events

On August 26, 2025, the Village purchased a 2024 Holland Workmaster 65 tractor in amount of \$54,250, funded in part through an insurance reimbursement for the 2006 Massey Ferguson tractor in the amount of \$21,398. The Village also sold two tractors, the international tractor in amount of \$1,750 on September 19, 2025 and the 2006 Massey Ferguson tractor in amount of \$7,665 on September 25, 2025.

Village of Vanlue, Ohio
Hancock County
*Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Regulatory Cash Basis)*
All Governmental Fund Types
For the Year Ended December 31, 2023

| | General | Special Revenue | Capital Projects | Combined Total |
|---|------------------|--------------------|---------------------|-------------------|
| Cash Receipts | | | | |
| Property and Other Local Taxes | \$7,141 | | | \$7,141 |
| Municipal Income Tax | 103,256 | | \$24,221 | 127,477 |
| Intergovernmental | 43,512 | \$24,162 | | 67,674 |
| Special Assessments | | 21,309 | | 21,309 |
| Licenses, Permits and Fees | 688 | | | 688 |
| Earnings on Investments | 7,517 | 917 | | 8,434 |
| Miscellaneous | 294 | 4,000 | | 4,294 |
| <i>Total Cash Receipts</i> | <u>162,408</u> | <u>50,388</u> | <u>24,221</u> | <u>237,017</u> |
| Cash Disbursements | | | | |
| Current: | | | | |
| Security of Persons and Property | 21,646 | 22,576 | | 44,222 |
| Leisure Time Activities | 3,448 | | | 3,448 |
| Community Environment | 1,582 | | | 1,582 |
| Basic Utility Services | 199 | 31,024 | | 31,223 |
| Transportation | 53 | 50,379 | | 50,432 |
| General Government | 66,007 | 2,340 | | 68,347 |
| <i>Total Cash Disbursements</i> | <u>92,935</u> | <u>106,319</u> | | <u>199,254</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>69,473</u> | <u>(55,931)</u> | <u>24,221</u> | <u>37,763</u> |
| Other Financing Receipts (Disbursements) | | | | |
| Transfers In | | 35,000 | | 35,000 |
| Transfers Out | (35,000) | | | (35,000) |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>(35,000)</u> | <u>35,000</u> | | |
| <i>Net Change in Fund Cash Balances</i> | <u>34,473</u> | <u>(20,931)</u> | <u>24,221</u> | <u>37,763</u> |
| <i>Fund Cash Balances, January 1</i> | <u>341,512</u> | <u>130,730</u> | <u>46,982</u> | <u>519,224</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$375,985</u> | <u>\$109,799</u> | <u>\$71,203</u> | <u>\$556,987</u> |

See accompanying notes to the basic financial statements

Village of Vanlue, Ohio
Hancock County
*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*
All Proprietary Fund Types
For the Year Ended December 31, 2023

| | <u>Enterprise</u> |
|---|-------------------|
| Operating Cash Receipts | |
| Charges for Services | <u>\$200,025</u> |
| Operating Cash Disbursements | |
| Personal Services | 31,379 |
| Employee Fringe Benefits | 4,823 |
| Contractual Services | 41,101 |
| Supplies and Materials | 25,315 |
| Other | <u>796</u> |
| <i>Total Operating Cash Disbursements</i> | <u>103,414</u> |
| Operating Income | <u>96,611</u> |
| Non-Operating Receipts (Disbursements) | |
| Miscellaneous Receipts | 6,644 |
| Principal Retirement | (51,271) |
| Interest and Other Fiscal Charges | (39,275) |
| Other Financing Uses | <u>(300)</u> |
| <i>Total Non-Operating Receipts (Disbursements)</i> | <u>(84,202)</u> |
| <i>Net Change in Fund Cash Balances</i> | 12,409 |
| <i>Fund Cash Balances, January 1</i> | <u>569,203</u> |
| <i>Fund Cash Balances, December 31</i> | <u>\$581,612</u> |

See accompanying notes to the basic financial statements

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Vanlue (the Village), Hancock County, Ohio 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 water and sewer utilities and park operations. The Village contracts with the Hancock County Sheriff's department to provide security of persons and property. The Village contracts with Vanlue Volunteer Fire Department to receive fire protection services.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 7 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.

Street Lighting Fund The street lighting fund accounts for and reports special assessments that are restricted to offset the cost of electricity for the Village's street lights and trimming of Village trees.

Local Fiscal Recovery Fund The local fiscal recovery fund accounts for and reports ARPA funds. These funds can be expended for purposes of public health, government services, infrastructure improvements, and administrative costs of the Village, in accordance with ARPA guidelines.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Other Capital Projects Fund The other capital projects fund accounts for and reports distributions to fund improvement projects in 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:

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

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

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 Village recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code 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 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 2023 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.

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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:

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 12.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Other Capital Projects Fund by \$8,935 for the year ended December 31, 2023. In addition, contrary to village ordinance, the Village inappropriately allocated income tax receipts to the incorrect funds.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2023

2023 Budgeted vs. Actual Receipts

| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
|------------------|-------------------------|-------------------------|------------------------|
| General | \$97,290 | \$162,408 | \$65,118 |
| Special Revenue | 67,325 | 85,388 | 18,063 |
| Capital Projects | 50,848 | 24,221 | (26,627) |
| Enterprise | 217,887 | 206,669 | (11,218) |
| Total | <u><u>\$433,350</u></u> | <u><u>\$478,686</u></u> | <u><u>\$45,336</u></u> |

2023 Budgeted vs. Actual Budgetary Basis Expenditures

| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
|------------------|-------------------------|-------------------------|-------------------------|
| General | \$135,575 | \$127,983 | \$7,592 |
| Special Revenue | 187,446 | 106,321 | 81,125 |
| Capital Projects | | 8,935 | (8,935) |
| Enterprise | 226,563 | 194,324 | 32,239 |
| Total | <u><u>\$549,584</u></u> | <u><u>\$437,563</u></u> | <u><u>\$112,021</u></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:

| 2023 | |
|--|---------------------------|
| <i>Cash Management Pool:</i> | |
| Demand deposits | \$938,599 |
| Certificates of deposit | 200,000 |
| Total carrying amount of deposits held in the Pool | <u><u>\$1,138,599</u></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, 2023, the Village was not holding any 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.

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 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 Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

Income Taxes

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

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:

2023

| | |
|-----------------------|---------------|
| Cash and investments | \$ 43,996,442 |
| Actuarial liabilities | \$ 19,743,401 |

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, 2023.

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Social Security

Other 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, 2023.

Note 9 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 10 – Debt

Debt outstanding at December 31, 2023, was as follows:

| | Principal | Interest Rate |
|---|--------------------|---------------|
| Mortgage Revenue Bonds (USDA Loan #04) | \$1,514,525 | 2.50% |
| Ohio Water Development Authority Loan #5731 | 31,091 | 1.50% |
| Ohio Public Works Commission Loan #CM08J | 78,750 | 0.00% |
| Ohio Public Works Commission Loan #CT430 | 13,202 | 0.00% |
| Total | \$1,637,568 | |

The United States Department of Agriculture (USDA) loan #04 relates to the water distribution system. The Village will repay the loan of \$1,876,000 in annual installments over 40 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover USDA debt service requirements. The mortgage revenue bond covenant requires the Village to establish and fund a debt service reserve fund, included as a water debt reserve fund. The balance in the fund at December 31, 2023 is \$76,156.

The Ohio Water Development Authority (OWDA) loan #5731 relates to a cooperative agreement with the OWDA. The loan was for the construction of the water treatment plant and distribution system. The Village will repay the loan of \$185,000 in semiannual installments over 30 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan #CM08J relates to the water distribution system. The Village will repay the loan of \$225,000 in semiannual installments over 20 years. The loan is collateralized by water receipts.

The Ohio Public Works Commission (OPWC) loan #CT430 was for the replacement of the wastewater pump lift station. The Village will repay the loan of \$27,794 in semiannual installments over 20 years. The loan is collateralized by sewer receipts.

Village of Vanlue, Ohio
Hancock County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Amortization

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

| Year Ending December 31: | USDA Loan #04 | OWDA Loan #5731 | OPWC Loan #CM08J | OPWC Loan #CT430 |
|-----------------------------|--------------------|--------------------|---------------------|---------------------|
| 2024 | \$75,774 | \$2,027 | \$11,250 | \$1,389 |
| 2025 | 75,878 | 2,027 | 11,250 | 1,390 |
| 2026 | 75,878 | 2,027 | 11,250 | 1,390 |
| 2027 | 75,878 | 2,027 | 11,250 | 1,390 |
| 2028 | 75,785 | 2,027 | 11,250 | 1,389 |
| 2029-2033 | 379,308 | 10,133 | 22,500 | 6,254 |
| 2034-2038 | 379,321 | 10,133 | | |
| 2039-2043 | 379,335 | 5,067 | | |
| 2044-2048 | 379,332 | | | |
| 2049-2051 | 227,633 | | | |
| Total | <u>\$2,124,122</u> | <u>\$35,468</u> | <u>\$78,750</u> | <u>\$13,202</u> |

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 – 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 | Capital Projects | Total |
|--------------------------|-------------|--------------------|---------------------|----------------|
| Outstanding Encumbrances | <u>\$48</u> | <u>\$2</u> | <u>\$8,935</u> | <u>\$8,985</u> |

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

Note 13 – Subsequent Events

On August 26, 2025, the Village purchased a 2024 Holland Workmaster 65 tractor in amount of \$54,250, funded in part through an insurance reimbursement for the 2006 Massey Ferguson tractor in the amount of \$21,398. The Village also sold two tractors, the international tractor in amount of \$1,750 on September 19, 2025 and the 2006 Massey Ferguson tractor in amount of \$7,665 on September 25, 2025.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Village of Vanlue
Hancock County
127 Center Street
P.O. Box 77
Vanlue, Ohio 45890-0077

To the Village Council:

We have audited, in accordance with the 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 (*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 years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Vanlue, Hancock County, Ohio (the Village) and have issued our report thereon dated November 6, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

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 purpose 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 a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-002 that we consider to be a material weakness.

Village of Vanlue
Hancock County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2024-001 and 2024-002.

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.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 6, 2025

**VILLAGE OF VANLUE
HANCOCK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING NUMBER 2024-001

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village's Other Capital Projects Fund had expenditures in excess of appropriations of \$8,935 as of December 31, 2023.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

FINDING NUMBER 2024-002

Material Weakness and Noncompliance

Village of Vanlue Ordinance No. 2015-12 Exhibit A Section 194.013 provides in part that funds collected under the provision of this chapter shall be disbursed as follows:

- (A) The part necessary to defray all costs of collecting the taxes, and the cost of administering and enforcing the provisions hereof.
- (B) The balance shall be disbursed, appropriated, and allocated as follows.
 - (1) Eighty-one percent (81%) to the General Fund.
 - (2) Nineteen percent (19%) to the CIT - Capital Improvement Fund.

Due to deficiencies in the Village's internal controls over the allocation of income tax revenue, the Village failed to correctly allocate the municipal income tax revenue received during the audit period. As a result, \$15,779 was incorrectly recorded in the General Fund instead of the Village's CIT - Capital Improvement (Other Capital Projects) Fund in 2023. Audit adjustments are reflected in the financial statements and in the accounting records correcting this misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure the monthly receipts are properly allocated to the respective funds in accordance with the provisions above.

Officials' Response:

We did not receive a response from Officials to the findings reported above.

**VILLAGE OF VANLUE
124 CENTER STREET
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VANLUE OHIO 45890-0077
419-387-7745
vanluevillage@gmail.com**

Robert Wells, Mayor

Joshua Riegle, Administrator

Melinda Boyd, Fiscal Officer

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024 AND 2023**

| Finding Number | Finding Summary | Status | Additional Information |
|-----------------------|---|--|---|
| 2022-001 | Noncompliance with Ohio Rev. Code § 5705.41(B) for expenditures exceeding appropriations. Finding was first issued in the 2020-2019 audit. | Not corrected and reissued as Finding 2024-001 in this report. | The Fiscal Officer has attempted to make corrections based on prior comments and will continue to make corrections in the future. |
| 2022-002 | Material weakness and non-compliance with Vanlue Ordinance No. 2015-12. The Village failed to correctly allocate the municipal income tax revenue received during the audit period. | Not corrected and reissued as Finding 2024-002 in this report. | The Fiscal Officer has attempted to make corrections based on prior comments and will continue to make corrections in the future. |
| 2022-03 | Material weakness and non-compliance with Ohio Rev. Code § 5705.10(D) for revenue posted to the wrong fund. | Fully corrected. | |
| 2022-04 | Material weakness due to posting errors were noted resulting in adjustments posted to the financial statements. This issue was first reported in the 2018-2017 audit. | Partially corrected, reissued in the management letter. | The Fiscal Officer has attempted to make corrections based on prior comments and will continue to make corrections in the future. |

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF VANLUE

HANCOCK 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 11/25/2025

65 East State 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