

**OHIO AUDITOR OF STATE
KEITH FABER**



**Vienna Township
Trumbull County, Ohio**

**Fiscal Emergency Analysis
As of December 31, 2023 and May 31, 2024**

Vienna Township, Trumbull County

Fiscal Emergency Analysis

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OHIO AUDITOR OF STATE KEITH FABER



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Declaration of Fiscal Emergency

The Auditor of State performed a fiscal analysis of Vienna Township pursuant to Section 118.03 of the Ohio Revised Code. This analysis indicates and it is hereby declared that a fiscal emergency exists at Vienna Township as defined in Sections 118.03(A)(5) and 118.03(A)(6) of the Ohio Revised Code.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted and filed with Phil Pegg, President of the Board of Trustees of Vienna Township; Mike DeWine, Governor; Robert Sprague, Treasurer of State; Kim Murnieks, Director of the Office of Budget and Management and Martha C. Yoder, Secretary of the Trumbull County Budget Commission.

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

Keith Faber
Auditor of State
Columbus, Ohio

July 12, 2024

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Vienna Township, Trumbull County

Fiscal Emergency Analysis

Introduction

As provided by Sections 118.021 and 118.04(A) of the Ohio Revised Code, the Board of Trustees requested that a fiscal analysis be performed by the Auditor of State for Vienna Township, Trumbull County (the Township). The purpose of the analysis is to determine if the financial condition of the Township justifies the declaration of a fiscal watch or fiscal emergency.

A township is placed in fiscal emergency if any one of six conditions described in Section 118.03 of the Ohio Revised Code exists. The six conditions are: 1) default on any debt obligation; 2) failure to make payment of all payroll; 3) an increase in the minimum levy of the township which results in the reduction in the minimum levy of another subdivision; 4) significant past due accounts payable; 5) substantial deficit balances in township funds; and 6) a sizeable deficiency when the township's treasury balance is compared to the positive cash balances of the township's funds.

The existence of the conditions described under Conditions four, five, and six of this report at year-end do not constitute a basis for the declaration of fiscal emergency if the Township clearly demonstrates to the satisfaction of the Auditor of State that the conditions no longer exist at the time of the determination. The Township has not requested that the determination be completed nor provided substantial proof that it has taken steps to remove the conditions.

This report identifies the procedures performed and the conclusions reached with respect to conditions one through three as of May 31, 2024 and conditions four through six as of December 31, 2023.

Condition One – Default on Any Debt Obligation

Section 118.03(A)(1) of the Ohio Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a default on any debt obligation for more than thirty days.

The Township had no debt outstanding as of May 31, 2024.

Conclusion: A fiscal emergency condition does not exist under Ohio Revised Code Section 118.03(A)(1). The Township had no debt outstanding as of May 31, 2024.

Condition Two – Payment of All Payroll

Section 118.03(A)(2) of the Ohio Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a failure for lack of cash in the funds to make payment of all payroll to employees of the municipal corporation, county, or township in the amounts and at the times required by laws, ordinances, resolutions, or agreements, which failure of payment has continued:

- (a) For more than thirty days after such time for payment, or
- (b) Beyond a period of extension, or beyond the expiration of ninety days from the original time for payment, whichever first occurs, if the time for payment has been extended for more than thirty days by the written consent of at least two-thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives.

Vienna Township, Trumbull County

Fiscal Emergency Analysis

We reviewed the payroll records of the Township as of May 31, 2024. We had a discussion with the Fiscal Officer to determine the employees of the Township, pay rates, frequency of payroll, and whether any extensions for the payment of payroll existed. We reviewed the cash journal and cancelled checks to determine whether Township employees had been paid within the time specified by Section 118.03(A)(2) of the Ohio Revised Code.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(2) of the Ohio Revised Code as of May 31, 2024. All employees have been paid in amounts and at the times required by resolutions.

Condition Three – Increase in Minimum Levy

Section 118.03(A)(3) of the Ohio Revised Code defines a fiscal emergency condition as:

An increase, by action of the county budget commission pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the municipal corporation, county, or township for the current or next fiscal year which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

We confirmed with the Trumbull County Budget Commission whether there had been an increase, pursuant to division (D) of Section 5705.31 of the Ohio Revised Code, in the minimum levy of the Township for 2024, which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts. The confirmation received from the Trumbull County Budget Commission indicated that the Budget Commission had not taken any action for 2024 to increase the inside millage of the Township, and no other subdivision's inside millage was reduced.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(3) of the Ohio Revised Code as of May 31, 2024. The Trumbull County Budget Commission has not taken any action to increase the inside millage of the Township, thus reducing another subdivision's millage.

Condition Four – Past Due Accounts Payable from the General Fund and All Funds

Section 118.03(A)(4) of the Ohio Revised Code, defines a fiscal emergency condition as:

The existence of a condition in which all accounts that, at the end of its preceding fiscal year, were due and payable from the general fund and that either had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, including, but not limited to, final judgments, fringe benefit payments due and payable, and amounts due and payable to persons and other governmental entities and including any interest and penalties thereon, less the year-end balance in the general fund, exceeded one-sixth of the general fund budget for that year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation, county, or township and that either had been due and payable for at least thirty days as at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year-end balance in the general fund and in the respective special funds lawfully available to pay such accounts, exceeded one-sixth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable. Accounts due and payable shall not include any account, or portion thereof, that is being contested in good faith.

We prepared a schedule of accounts payable as of December 31, 2023, that were due and payable from the general fund, and that had been due and payable for at least thirty days or to which a penalty had been added

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for failure to pay as of December 31, 2023, including, but not limited to, final judgments, fringe benefit payments due and payable, and amounts due and payable to persons and other governmental entities, including any interest and penalties. From this amount, we subtracted the year-end fund balance available in the general fund to determine if the accounts payable in excess of the available fund balance exceeded one-sixth of the general fund budget for that year.

Schedule I

General Fund Accounts Payable Over 30 Days Past Due
Ohio Revised Code Section 118.03(A)(4)
As of December 31, 2023

	Payables Over 30 Days Past Due	General Fund Balance Available	Payables In Excess of Available Balance	One-Sixth of General Fund Budget	Accounts Payable in Excess of General Fund Budget
General	\$15,425	\$211,698	\$0	\$99,661	\$0

We prepared a schedule of accounts payable (as defined above) for all funds which were at least thirty days past due or to which a penalty was added as of December 31, 2023. From this amount, we subtracted the year-end fund balance available to pay such outstanding bills. We then determined if the accounts payable in excess of the available fund balance exceeded one-sixth of the available revenues during 2023, excluding non-recurring receipts of the general fund and of all special funds from which such accounts are lawfully payable.

Schedule II

All Funds Accounts Payable Over 30 Days Past Due
Ohio Revised Code Section 118.03(A)(4)
As of December 31, 2023

	Payables Over 30 Days Past Due	Fund Balance Available	Payables In Excess of Available Balance	One-Sixth of the Available Budget/Revenues	Accounts Payable in Excess of Available Budget/Revenues
General	\$15,425	\$211,698	\$0	\$99,661	\$0
Gasoline Tax	201,018	282,585	0	23,683	0
Road and Bridge	12,874	0	12,874	26,390	0
Cemetery	2,301	9,289	0	1,059	0
Police	65,956	0	65,956	120,186	0
Fire	108,884	0	108,884	62,075	(46,809)
American Rescue Plan	4,235	271,204	0	0	0
Total	\$410,693	\$774,776	\$187,714	\$333,054	(46,809)
Funds available for transfer					
General					179,378
American Rescue Plan					266,969
Total Accounts Payable in Excess					\$0

Conclusion: Schedule II indicate that as of December 31, 2023, a fiscal emergency condition does not exist under Section 118.03(A)(4) of the Ohio Revised Code. Accounts payable from all funds which were at least thirty days past-due at December 31, 2023 did not exceed available fund balances.

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Fiscal Emergency Analysis

Condition Five – Deficit Fund Balances

Section 118.03(A)(5), of the Ohio Revised Code defines a fiscal emergency condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of its preceding fiscal year, less the total of any year-end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Revised Code to meet such deficit, exceeded one-sixth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We computed the adjusted aggregate sum of all deficit funds as of December 31, 2023, by subtracting all accounts payable and encumbrances from the year-end cash fund balance of each fund. We then determined if the aggregate deficit fund balance exceeded one-sixth of the general fund budget and the receipts of those deficit funds. We then identified funds that may be transferred, as provided in Section 5705.14 of the Ohio Revised Code, to meet such deficits to arrive at the unprovided portion of the aggregate deficit.

Schedule III

Deficit Fund Balances
Ohio Revised Code Section 118.03(A)(5)
As of December 31, 2023

	Cash Fund Balances	Less Accounts Payable and Encumbrances	Adjusted Aggregate Sum of Funds With Deficit Balances	One-Sixth General Fund Budget/Fund Receipts	Unprovided Portion of Aggregate (Deficit)
General	\$320,196	\$131,719	\$188,477	\$99,661	\$0
Gasoline Tax	325,817	244,479	81,338	23,683	0
Road and Bridge	(81,902)	42,903	(124,805)	26,394	(98,411)
Cemetery	9,343	2,703	6,640	1,475	0
Police	(32,509)	176,385	(208,894)	124,567	(84,327)
Fire	(827,256)	512,446	(1,339,702)	63,173	(1,276,529)
American Rescue Plan	281,884	14,915	266,969	0	0
	<u>(\$4,427)</u>	<u>\$1,125,550</u>	<u>(\$1,129,977)</u>	<u>\$338,953</u>	<u>(1,459,267)</u>
Funds available for transfer					
General					179,378
American Rescue Plan					266,969
Total Unprovided Portion of Aggregate Deficit Funds					<u><u>(\$1,012,920)</u></u>

Conclusion: Schedules III indicate that a fiscal emergency condition exists under Sections 118.03(A)(5) of the Ohio Revised Code as of December 31, 2023. The total unprovided portion of aggregate deficit funds as of December 31, 2023 is \$1,012,919.

Condition Six – Treasury Deficiency

Section 118.03(A)(6), of the Ohio Revised Code, defines a fiscal emergency condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation, county, or township, minus outstanding checks and warrants, were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet, and such deficiency exceeded one-sixth of the total amount received into the unsegregated treasury during the preceding fiscal year.

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Fiscal Emergency Analysis

We verified the Township's reconciled bank balances to its statement of cash position for all funds as of December 31, 2023, which included subtracting reconciling factors to arrive at a treasury balance. We then determined the aggregate sum of all positive fund cash balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. We then subtracted from the treasury deficit one-sixth of the amount received into the treasury during 2023 to determine if a treasury deficiency exists.

Schedule IV

Treasury Balances Ohio Revised Code Section 118.03(A)(6) As of December 31, 2023

	<u>Amounts at December 31, 2023</u>
Bank Balances	
General Checking	\$24,926
Cemetery Checking	3,136
Estate Checking	<u>130,733</u>
Total Bank Balances	158,795
Less Reconciling Factors for Outstanding Checks	<u>(88,566)</u>
Total Treasury Balances	<u>70,229</u>
Less Positive Fund Cash Balances	
General	320,196
Motor Vehicle License Tax	19,599
Gasoline Tax	325,817
Cemetery	9,343
Zoning	1,354
Drug Law Enforcement	891
Lighting Assessment	251
DUI Enforcement	1,040
DARE	8,022
Park	1,068
Continuing Police Training	1,760
EMS Retention Grant	20,000
OneOhio Opioid	1,132
1st Responders Retention	1
Department of Safety Grant	11,660
American Rescue Plan	281,884
Special Assessment Retirement	4,910
Private Purpose Trust - Cemetery	<u>2,968</u>
Total Positive Fund Cash Balances	1,011,896
Treasury Deficit	(941,667)
One-sixth of Treasury Receipts	<u>314,031</u>
Treasury Deficiency	<u><u>(\$627,636)</u></u>

Conclusion: Schedule VI indicates that a fiscal emergency condition exists under Section 118.03(A)(6) of the Ohio Revised Code. The treasury deficit exceeded one-sixth of the treasury receipts at December 31, 2023, by \$627,636

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Fiscal Emergency Analysis

Summary

A fiscal emergency is the existence of at least one of the above defined conditions. This analysis indicates that a fiscal emergency exists at Vienna Township as defined in Sections 118.03(A)(5) and 118.03(A)(6) of the Ohio Revised Code as presented in Schedules III and IV above as of December 31, 2023.

The Township passed a resolution indicating updating conditions four, five and six as of May 31, 2024 was not necessary.

Because the above procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you.

OHIO AUDITOR OF STATE KEITH FABER



**VIENNA TOWNSHIP
FISCAL EMERGENCY ANALYSIS DECLARATION**

TRUMBULL COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 7/12/2024

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This report is a matter of public record and is available online at
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