



**VILLAGE OF VINTON
GALLIA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF VINTON
GALLIA COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Vinton
Gallia County
132 Keystone Road
Vinton, Ohio 45686

To the Village Council:

We have audited the accompanying financial statements of the Village of Vinton, Gallia County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Vinton, Gallia County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Village of Vinton
Gallia County
Report of Independent Accountants
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This report is intended solely for the information and use of management, the Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 23, 2001

**VILLAGE OF VINTON
GALLIA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$2,318	\$4,061	\$6,379
Intergovernmental Receipts	90,956	50,668	141,624
Charges for Services	20,002		20,002
Fines, Licenses, and Permits	794		794
Earnings on Investments	458	216	674
Miscellaneous	4,910	400	5,310
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	119,438	55,345	174,783
Cash Disbursements:			
Current:			
Security of Persons and Property	41,072	6,018	47,090
Public Health Services	3,874		3,874
Leisure Time Activities	61,464		61,464
Community Environment	26,686		26,686
Transportation		2,323	2,323
General Government	45,774		45,774
Debt Service:			
Principal Payments	89	47,176	47,265
Interest Payments		571	571
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	178,959	56,088	235,047
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(59,521)</u>	<u>(743)</u>	<u>(60,264)</u>
Other Financing Receipts/(Disbursements):			
Proceeds of Loans	65,312		65,312
Transfers-In		4,000	4,000
Transfers-Out	<u>(4,000)</u>		<u>(4,000)</u>
Total Other Financing Receipts/(Disbursements)	<u>61,312</u>	<u>4,000</u>	<u>65,312</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,791	3,257	5,048
Fund Cash Balances, January 1	<u>18,995</u>	<u>13,871</u>	<u>32,866</u>
Fund Cash Balances, December 31	<u>\$20,786</u>	<u>\$17,128</u>	<u>\$37,914</u>

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

**VILLAGE OF VINTON
GALLIA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Property Tax and Other Local Taxes	\$2,187	\$4,272	\$6,459
Intergovernmental Receipts	80,002	8,011	88,013
Charges for Services	28,015		28,015
Fines, Licenses, and Permits	1,528		1,528
Earnings on Investments	938	114	1,052
Miscellaneous	4,179		4,179
	<u>116,849</u>	<u>12,397</u>	<u>129,246</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	56,537	6,068	62,605
Public Health Services	4,547		4,547
Leisure Time Activities	31,570		31,570
Community Environment	315	1,497	1,812
Transportation		12,752	12,752
General Government	49,626		49,626
Capital Outlay		46,890	46,890
	<u>142,595</u>	<u>67,207</u>	<u>209,802</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(25,746)</u>	<u>(54,810)</u>	<u>(80,556)</u>
Other Financing Receipts/(Disbursements):			
Proceeds of Loans	9,400	47,265	56,665
Operating Transfers - In		2,000	2,000
Operating Transfers - Out	(2,000)		(2,000)
	<u>7,400</u>	<u>49,265</u>	<u>56,665</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(18,346)</u>	<u>(5,545)</u>	<u>(23,891)</u>
Fund Cash Balances, January 1	<u>37,341</u>	<u>19,416</u>	<u>56,757</u>
Fund Cash Balances, December 31	<u>\$18,995</u>	<u>\$13,871</u>	<u>\$32,866</u>
Reserves for Encumbrances, December 31	<u>\$1,864</u>	<u>\$0</u>	<u>\$1,864</u>

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

**VILLAGE OF VINTON
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Vinton, Gallia County (the Village), 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. The Village is directed by a publicly-elected six-member Village Council. The Village provides general governmental services, including maintenance of streets, fire protection, police protection and recreation services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Village maintains all available funds of the Village in an interest -bearing checking account. Interest earned is recognized and recorded when received.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction Fund - This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining and repairing Village streets.

FEMA Fund-This fund receives federal grant monies for disaster relief projects.

Grant Construction Fund - This fund receives state grant monies for park repairs.

VILLAGE OF VINTON
GALLIA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. 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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. In 1999, unencumbered appropriations lapsed at year end. Beginning in 2000, all appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1 for 1999 and cash as of January 1 for 2000. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. In 1999, encumbrances outstanding at year end were carried over, and were not reappropriated. Beginning in 2000, encumbrances outstanding at year end were canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments as required by Ohio Law.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$37,914	\$32,866

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF VINTON
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 186,862	\$ 184,750	\$ (2,112)
Special Revenue	69,370	59,345	(10,025)
Total	\$ 256,232	\$ 244,095	\$ (12,137)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 174,416	\$ 182,959	\$ (8,543)
Special Revenue	69,822	56,088	13,734
Total	\$ 244,238	\$ 239,047	\$ 5,191

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 202,730	\$ 126,249	\$ (76,481)
Special Revenue	75,885	61,662	(14,223)
Total	\$ 278,615	\$ 187,911	\$ (90,704)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 176,264	\$ 146,459	\$ 29,805
Special Revenue	32,462	67,207	(34,745)
Total	\$ 208,726	\$ 213,666	\$ (4,940)

The Village did not encumber all commitments as required by Ohio law. Also, the Village had expenditures in excess of appropriations in the General and Street Lighting Funds in 2000 and in 1999. Furthermore, the Village did not accurately post revenue as required by Ohio law.

**VILLAGE OF VINTON
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA planning loan	<u>\$ 147,700</u>	5.54%
Total	<u><u>\$ 147,700</u></u>	

The Ohio Water Development Authority (OWDA) loan was approved in 1998 in the estimated amount of \$147,700 for the wastewater system project for the period of three years commencing on December 10, 1998 and ending on December 10, 2001. The loan proceeds are drawn down as expenditures are incurred. In 1998, \$515 was drawn down. During 1999 and 2000, \$9,400 and \$65,312 respectively, was used for the preliminary architectural plans and other technical services. As of December 31, 2000, the total draw down amount was \$75,227 leaving \$72,473 to be drawn down in 2001. The loan will be repaid in semiannual installments, usually over twenty (20) years, based on an amortization schedule to be prepared and provided by the OWDA at the completion of the project.

In addition to the above loan, the Village issued a ninety day note in the amount of \$47,265 in 1999 that was paid in full during 2000.

**VILLAGE OF VINTON
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

6. RETIREMENT SYSTEMS

Officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- General liability and casualty
- Public officials' liability
- Vehicles
- Property

The Village has secured public official's bonds through a private carrier.

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Vinton
Gallia County
132 Keystone Road
Vinton, Ohio 45686

To the Village Council:

We have audited the accompanying financial statements of the Village of Vinton, Gallia County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 23, 2001. We conducted our audit 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.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2000-30727-001 through 2000-30727-005. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 23, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings as items 2000-30727-001 through 2000-30727-005.

Village of Vinton
Gallia County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe reportable condition 2000-30727-004 described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Village in a separate letter dated August 23, 2001.

This report is intended for the information and use of management and the Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 23, 2001

**VILLAGE OF VINTON
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2000-30727-001

Noncompliance Citation/Reportable Condition

Ohio Rev. Code § 5705.10 describes the distribution of revenue derived from tax levies, proceeds from sale of bond issues, and proceeds from sale of permanent improvement states.

- All revenue derived from:
 - the general levy for current expense within the ten-mill limitation,
 - any general levy for current expense authorized by vote in excess of the ten-mill limitation, and from
 - sources other than the general property tax, unless its use for a particular purpose is prescribed by law, is required to be paid into the general fund.
- All revenue derived from general or special levies for debt charges which is levied for the debt charges on serial bonds, notes, or certificates of indebtedness having a life less than five years, is required to be paid into the bond retirement fund. All such revenue which is levied for the debt charges on all other bonds, notes, or certificates of indebtedness is to be paid into the sinking fund.
- All revenue derived from a special levy is to be credited to a special fund for the purpose for which the levy was made.
- All revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.
- All proceeds from the sale of public obligations or fractionalized interests in public obligations as defined in Ohio Rev. Code section 133.01, except premium and accrued interest, is to be paid into a special fund for the purpose of such issue. Any interest earned on money in the special fund may be used for the purposes for which the indebtedness was authorized or may be credited and used for an authorized fund or account. The premium and accrued interest received from such sale is to be paid into the subdivision's sinking fund or the bond retirement fund.
- If a permanent improvement of the subdivision is sold, the amount received from it may be paid into the sinking fund, the bond retirement fund, or into a special fund for the construction or acquisition of permanent improvements.
- Proceeds from the sale of a public utility are to be paid into the sinking fund or bond retirement fund to the extent necessary to provide for the retirement of the outstanding indebtedness incurred in the construction or acquisition of such utility.
- Proceeds from the sale of property other than a permanent improvement are to be paid into the fund from which such property was acquired or is maintained, or if there is no such fund, into the general fund.
- Money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

There were several posting errors, in the Uniform Accounting Network (UAN) system, relating to revenue derived from tax levies, which caused cash receipts, for the various funds, to be over/under stated. The Village contracted with the Auditor of State's Office, for accounting services, to correct the posting errors. The audited financial statements have been adjusted to reflect the correct posting.

We recommend the Village Clerk, prior to posting receipts to the revenue ledger, review the receipt documents (i.e. tax settlement sheets) to determine the required posting of the receipt. Also, we recommend the Village Clerk utilize the Village Handbook and the UAN Hand Book as guidance on the proper posting of these receipts.

VILLAGE OF VINTON
GALLIA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)

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

FINDING NUMBER 2000-30727-002

Noncompliance Citation/Reportable Condition

Ohio Rev. Code § 5705.36 allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources.

An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation.

The total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation.

In 2000, the current level of appropriations, (total appropriations less outstanding encumbrances), exceeded the available resources, (actual receipts plus January 1 unencumbered balance), in the following fund:

<u>Fund Name</u>	<u>Current Level of Appropriations</u>	<u>Available Resources</u>	<u>Variance</u>
Street	\$15,000	\$12,942	(\$2,058)

In 1999, the current level of appropriations, (total appropriations less outstanding encumbrances), exceeded the available resources, (actual receipts plus January 1 unencumbered balance), in the following funds:

<u>Fund Name</u>	<u>Current Level of Appropriations</u>	<u>Available Resources</u>	<u>Variance</u>
General	\$174,525	\$163,590	(\$10,935)
Street	\$19,000	\$16,771	(\$2,229)

Additionally, Ohio Rev. Code § 5705.39 prohibits appropriation exceeding estimated resources.

In 2000, total appropriations exceeded the amended certificate of estimated resources in the following funds:

<u>Fund Name</u>	<u>Total Appropriations</u>	<u>Estimated Resources</u>	<u>Variance</u>
FEMA 2051	\$6,945	\$5,528	(\$1,417)
FEMA 2052	\$357	\$277	(\$80)

This could have resulted in deficit spending.

We recommend the Village obtain amended certificates of estimated resources when it becomes apparent the Village is going to receive less than what was estimated. We also recommend the Village officials monitor the effect of the reduction in relation to their appropriations and make amendments as needed.

VILLAGE OF VINTON
GALLIA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)

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

FINDING NUMBER 2000-30727-003

Noncompliance Citation/Reportable Condition

Ohio Rev. Code § 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

In 2000, the Village had expenditures in excess of total appropriations in the following funds:

<u>Fund Name</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
General	\$174,416	\$182,959	(\$8,543)
Street Lighting	\$4,830	\$6,018	(\$1,188)

In 1999, the Village had expenditures in excess of total appropriations in the following funds:

<u>Fund Name</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
Grant Construction	\$0	\$46,890	(\$46,890)
Street Lighting	\$4,630	\$6,068	(\$1,438)

We recommend the Clerk review the budgetary information on a regular basis and seek amendments as needed from Village Council to avoid spending in excess of appropriations that could lead to spending in excess of available fund balances.

FINDING NUMBER 2000-30727-004

Noncompliance Citation/Material Weakness

Ohio Rev. Code § 5705.41(D) states in part that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

**VILLAGE OF VINTON
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

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

FINDING NUMBER 2000-30727-004 (Continued)

Noncompliance Citation/Material Weakness (Continued)

Ohio Rev. Code § 5705.41(D) (Continued)

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority..

One hundred percent in 1999 and ten percent in 2000, of the expenditures tested, had invoice dates preceding the certification dates and no corresponding "then and now" certificate was completed. This could lead to obligations being entered into when there is not sufficient funds available to cover the transaction.

We recommend the Village certify the availability of funds prior to ordering goods or services.

FINDING NUMBER 2000-30727-005

Noncompliance Citation/Reportable Condition

Ohio Rev. Code § 5705.40 states that an appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. However, no appropriation may be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations against them. Transfers may be made by resolution or ordinance from one appropriation item to another. Subject to certain limitations, the annual appropriation measure may contain an appropriation for contingencies.

The Village did not amend or supplement appropriations in 2000 or 1999. However, the Village's appropriation ledgers did not agree to the original appropriation measure. Note 3 to the financial statements reflects the Village's original appropriation measure amounts.

We recommend the Village establish procedures to assure the appropriation ledger reflects the same information as the official appropriation measure. We also recommend the Village Council approve all amendments to and transfers of, appropriations, at the legal level of control, and such approval be documented in the minutes.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF VINTON

GALLIA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 11, 2001**