

**VILLAGE OF SCIO  
HARRISON COUNTY, OHIO  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**







65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

Village Council  
Village of Scio  
PO Box 307  
Scio, Ohio 43988

We have reviewed the *Independent Auditor's Report* of the Village of Scio, Harrison County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER  
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

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

February 04, 2026

**This page intentionally left blank.**

**VILLAGE OF SCIO  
HARRISON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types – For the Year Ended December 31, 2024 .....	4
Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type – For the Year Ended December 31, 2024 .....	5
Notes to the Financial Statements – 2024 .....	6
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types – For the Year Ended December 31, 2023 .....	14
Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - Proprietary Fund Type – For the Year Ended December 31, 2023 .....	15
Notes to the Financial Statements – 2023 .....	16
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	25
Schedule of Findings .....	27
Summary Schedule of Prior Findings (Prepared by Management) .....	30
Corrective Action Plan (Prepared by Management) .....	31

**This page intentionally left blank.**

**INDEPENDENT AUDITOR'S REPORT**

Village of Scio  
Harrison County  
PO Box 307  
Scio, Ohio 43988

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 Scio, Harrison County, Ohio (the Village), which comprise 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 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 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 the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 August 31, 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.

*Charles E. Harris & Associates*

**Charles E. Harris & Associates, Inc.**

August 31, 2025

**VILLAGE OF SCIO  
HARRISON 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	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 56,521	\$ 27,930	\$ 84,451
Municipal Income Tax	20,171	60,513	80,684
Intergovernmental	36,779	44,967	81,746
Charges for Services	-	280	280
Licenses, Permits and Fees	10,148	-	10,148
Earnings on Investments	2,316	-	2,316
Miscellaneous	<u>29,253</u>	<u>2,130</u>	<u>31,383</u>
<i>Total Cash Receipts</i>	<u>155,188</u>	<u>135,820</u>	<u>291,008</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	35,515	22,310	57,825
Public Health Services	180	-	180
Leisure Time Activities	-	9,958	9,958
Transportation	-	30,245	30,245
General Government	202,779	22,834	225,613
Capital Outlay	6,723	2,415	9,138
Debt Service:			
Principal Retirement	-	26,767	26,767
Interest and Fiscal Charges	<u>-</u>	<u>131</u>	<u>131</u>
<i>Total Cash Disbursements</i>	<u>245,197</u>	<u>114,660</u>	<u>359,857</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(90,009)</u>	<u>21,160</u>	<u>(68,849)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Other Financing Uses	<u>(11,618)</u>	<u>-</u>	<u>(11,618)</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(11,618)</u>	<u>-</u>	<u>(11,618)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(101,627)</u>	<u>21,160</u>	<u>(80,467)</u>
<i>Fund Cash Balances, January 1</i>	<u>259,413</u>	<u>231,029</u>	<u>490,442</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 157,786</u>	<u>\$ 252,189</u>	<u>\$ 409,975</u>

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

**VILLAGE OF SCIO  
HARRISON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 408,680
Miscellaneous	2,164
<i>Total Operating Cash Receipts</i>	<u>410,844</u>
<b>Operating Cash Disbursements</b>	
Personal Services	200,375
Contractual Services	101,239
Supplies and Materials	48,411
<i>Total Operating Cash Disbursements</i>	<u>350,025</u>
<i>Operating Income</i>	60,819
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental	103,102
Other Debt Proceeds	145,041
Miscellaneous Receipts	7,349
Capital Outlay	(341,256)
Principal Retirement	(43,032)
Interest and Other Fiscal Charges	(565)
Other Financing Sources	866
Other Financing Uses	(174)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(128,669)</u>
<i>Net Change in Fund Cash Balances</i>	(67,850)
<i>Fund Cash Balances, January 1</i>	839,655
<i>Fund Cash Balances, December 31</i>	<u>\$ 771,805</u>

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

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

### **Note 1 – Reporting Entity**

The Village of Scio (the Village), Harrison County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities. The Village contracts with the Scio Volunteer Fire Department to provide fire protection services. The Village also contracts with the Harrison County Sheriff's Department to provide police protection within the Village.

#### ***Public Entity Risk Pools***

The Village participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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

### **Note 2 – Summary of Significant Accounting Policies**

#### ***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type, which are 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.

**Income Tax/Perm Improvement Fund** The Income/Perm Improvement Fund accounts for and reports local income tax collections for the Capital Improvements.

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

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

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

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

**Sewer Fund** The sewer 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, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

A summary of 2024 budgetary activity appears in Note 4.

### ***Deposits and Investments***

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

### ***Capital Assets***

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

### ***Accumulated Leave***

Village employees earn leave time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

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

### ***SBITAs***

The Village has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems. Subscription disbursements are recognized when they are paid.

### ***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.

***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 or ordinance). The Village must adhere to these commitments unless the Council amends the resolution/ordinance. 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, 58% of the expenditures tested were not properly certified.

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**Note 4 – Budgetary Activity**

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

<b>2024 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 156,662	\$ 155,188	\$ (1,474)
Special Revenue	134,126	135,820	1,694
Enterprise	506,537	667,202	160,665

  

<b>2024 Budgeted vs. Actual Budgetary Basis Disbursements</b>			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 416,075	\$ 256,815	\$ 159,260
Special Revenue	349,028	114,660	234,368
Enterprise	1,295,369	735,052	560,317

**Note 5 – Deposits**

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

	<b>2024</b>
<b>Cash Management Pool:</b>	
Demand deposits	\$ 1,107,952
Certificates of deposits	73,828
Total deposits	<b><u>\$ 1,181,780</u></b>

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Village's payroll clearing account represent unremitted employee payroll withholdings. The reconciled bank balance at year end is zero.

**Deposits**

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

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**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.

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.

The Village's income tax ordinances allocates twenty-five percent of income tax collections to the General Fund and the remaining seventy-five percent to the Income Tax Permanent Improvement Fund.

**Note 7 – Risk Management**

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2023, retention levels are \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus /deficit at March 31, 2023 (latest information available).

Assets	\$ 841,929
Liabilities	(1,029,623)
Accumulated Surplus/(Deficit)	<u><u>\$ (187,694)</u></u>

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

### **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, 2024.

#### ***Social Security***

Some 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, 2024.

### **Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. 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 10 – Debt**

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

	Principal	Interest Rate
Ohio Water Development Authority 5022	\$ 89,917	0%
Ohio Water Development Authority 8990	49,079	1.92%
Ohio Water Development Authority 10158	138,899	0%
Ohio Public Works Commission CT80W	51,693	0%
Ohio Public Works Commission CN27Q	4,500	0%
Ohio Public Works Commission CT54R	38,874	0%
Ohio Public Works Commission CU26Y	13,991	0%
Ohio Public Works Commission CT85Y	144,903	0%
<b>Total</b>	<b>\$ 531,856</b>	

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**Note 10 – Debt (Continued)**

The Ohio Water Development Authority (OWDA) loan #9957 was issued in 2022 in the amount of \$1,498 for waterline and service line replacement. The loan is for 20 years at a 1.86 percent interest rate. This loan was fully repaid in 2024, which included an OWDA adjustment of \$1,078, and brought the balance to \$0 as of December 31, 2024.

The Ohio Water Development Authority (OWDA) loan #5022 relates to a new filter system for the water treatment plant. This loan was approved and issued in 2009 in the amount of \$191,977. The loan is for 30 years at a zero interest rate. The loan will be repaid in semi-annual installments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #8990 relates to the Wastewater Treatment Plant - Clarifier. The loan was issued in 2022 in the amount of \$56,845. The loan is for 5 years at a 1.92 percent interest rate. The loan will be repaid in semi-annual installments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Amortization Schedule not available. In 2024, the outstanding principal balance increased \$915 due to capitalized interest.

The Ohio Water Development Authority (OWDA) loan #10158 relates to the Sanitary Sewer Extension – Hilltop Drive and Main Street. The loan was issued in 2023 in the amount of \$188,000. The loan is for 5 years at a 0 percent interest rate. The loan will be repaid in semi-annual installments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Amortization Schedule not available.

The Ohio Public Works Commission (OPWC CT80W) loan relates to 2nd street waterline project phase II. The loan was issued in 2020 for \$59,645 and repayment began on July 1, 2020. The loan is for 30 years at a 0 percent interest rate. The Village will repay the loan in semiannual payments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC CN27Q) loan relates to Sewer Improvement project. The loan was issued in 2015 for \$45,000 and repayment began on July 1, 2015. The loan is for 10 years at a 0 percent interest rate. The Village will repay the loan in semiannual payments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC CT54R) loan relates to Waterline Replacement project. The loan was issued in 2017 for \$50,705 and repayment began on July 1, 2017. The loan is for 30 years at a 0 percent interest rate. The Village will repay the loan in semiannual payments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC CU26Y) loan relates to Fowler Sanitary Sewer Improvement project. The loan was issued in 2022 for \$15,989 and repayment began on January 1, 2023. The loan is for 20 years at a 0 percent interest rate. The Village will repay the loan in semiannual payments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

---

**Note 10 – Debt (Continued)**

The Ohio Public Works Commission (OPWC CT85Y) loan relates to Waterline Replacement project. The loan was issued in 2022 for \$149,900 and repayment began on July 1, 2024. The loan is for 30 years at a 0 percent interest rate. The Village will repay the loan in semiannual payments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

**Amortization**

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

Year Ending December 31:	OWDA 5022	OPWC CT80W	OPWC CN27Q	OPWC CT54R	OPWC CU26Y	OPWC CT85Y
2025	\$ 3,101	\$ 1,988	\$ 4,500	\$ 1,690	\$ 400	\$ 2,498
2026	6,201	1,988	-	1,690	799	4,997
2027	6,201	1,988	-	1,690	799	4,997
2028	6,201	1,988	-	1,690	799	4,997
2029	6,201	1,988	-	1,690	799	4,997
2030-2034	31,006	9,941	-	8,451	3,997	24,983
2035-2039	31,005	9,941	-	8,451	3,997	24,983
2040-2044	-	9,941	-	8,451	2,398	24,983
2045-2049	-	9,941	-	5,070	-	24,983
2050-2054	-	1,989	-	-	-	22,485
Total	<u>\$ 89,917</u>	<u>\$ 51,693</u>	<u>\$ 4,500</u>	<u>\$ 38,874</u>	<u>\$ 13,991</u>	<u>\$ 144,903</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. The Village had no outstanding encumbrances at year end.

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

**VILLAGE OF SCIO  
HARRISON 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	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 51,984	\$ 11,422	\$ 63,406
Municipal Income Tax	20,622	61,865	82,487
Intergovernmental	31,804	43,778	75,582
Charges for Services	-	505	505
Fines, Licenses and Permits	10,986	-	10,986
Earnings on Investments	2,009	-	2,009
Miscellaneous	39,114	-	39,114
<i>Total Cash Receipts</i>	<i>156,519</i>	<i>117,570</i>	<i>274,089</i>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	40,339	2,229	42,568
Public Health Services	165	-	165
Leisure Time Activities	-	6,159	6,159
Transportation	-	32,021	32,021
General Government	208,320	86,340	294,660
Capital Outlay	2,463	-	2,463
Debt Service:			
Principal Retirement	-	7,693	7,693
Interest and Fiscal Charges	-	560	560
<i>Total Cash Disbursements</i>	<i>251,287</i>	<i>135,002</i>	<i>386,289</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(94,768)</i>	<i>(17,432)</i>	<i>(112,200)</i>
<b>Other Financing Receipts (Disbursements)</b>			
Other Financing Uses	(25,232)	(2,657)	(27,889)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(25,232)</i>	<i>(2,657)</i>	<i>(27,889)</i>
<i>Net Change in Fund Cash Balances</i>	<i>(120,000)</i>	<i>(20,089)</i>	<i>(140,089)</i>
<i>Fund Cash Balances, January 1</i>	<i>379,413</i>	<i>251,118</i>	<i>630,531</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 259,413</i>	<i>\$ 231,029</i>	<i>\$ 490,442</i>

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

**VILLAGE OF SCIO  
HARRISON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Proprietary Fund Types</u>	
<u>Enterprise</u>	
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 384,119
Miscellaneous	<u>3,193</u>
<i>Total Operating Cash Receipts</i>	<u>387,312</u>
<b>Operating Cash Disbursements</b>	
Personal Services	195,815
Contractual Services	114,985
Supplies and Materials	<u>54,495</u>
<i>Total Operating Cash Disbursements</i>	<u>365,295</u>
<i>Operating Income</i>	22,017
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental	164,149
Other Debt Proceeds	224,558
Miscellaneous Receipts	7,754
Capital Outlay	(251,249)
Principal Retirement	(65,613)
Interest and Other Fiscal Charges	(611)
Other Financing Sources	1,882
Other Financing Uses	<u>(117)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>80,753</u>
<i>Net Change in Fund Cash Balances</i>	102,770
<i>Fund Cash Balances, January 1</i>	<u>736,885</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 839,655</u>

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

**Village of Scio, Ohio**  
*Harrison County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

---

### **Note 1 – Reporting Entity**

The Village of Scio (the Village), Harrison County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities. The Village contracts with the Scio Volunteer Fire Department to provide fire protection services. The Village also contracts with the Harrison County Sheriff's Department to provide police protection within the Village.

#### ***Public Entity Risk Pools***

The Village participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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

### **Note 2 – Summary of Significant Accounting Policies**

#### ***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type, which are 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.

**American Rescue Plan Act Fund** The American Rescue Plan Act Fund accounts for monies received from the federal government to provide additional relief to address the continued impact of the COVID-19 pandemic.

**Income Tax/Perm Improvement Fund** The Income/Perm Improvement Fund accounts for and reports local income tax collections for the Capital Improvements.

**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:

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

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

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

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

**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, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

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.

**Capital Assets**

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

**Accumulated Leave**

Village employees earn leave time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

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

***SBITAs***

The Village has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems. Subscription disbursements are recognized when they are paid.

***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.

***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 or ordinance). The Village must adhere to these commitments unless the Council amends the resolution/ordinance. 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, Also contrary to Ohio law, 62% of the expenditures tested were not properly certified.

**Village of Scio, Ohio**  
**Harrison County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

---

**Note 4 – Budgetary Activity**

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

Fund Type	2023 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 201,621	\$ 156,519	\$ (45,102)
Special Revenue	105,567	117,570	12,003
Enterprise	729,997	785,655	55,658

Fund Type	2023 Budgeted vs. Actual Budgetary Basis Disbursements		
	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 581,034	\$ 276,519	\$ 304,515
Special Revenue	356,685	137,659	219,026
Enterprise	1,394,976	682,885	712,091

**Note 5 – Deposits**

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

	2023
<b>Cash Management Pool:</b>	
Demand deposits	\$ 1,258,613
Certificates of deposits	71,484
Total deposits	<u>\$ 1,330,097</u>

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Village's payroll clearing account represent unremitted employee payroll withholdings. The reconciled bank balance at year end is zero.

**Deposits**

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

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**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.

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.

The Village's income tax ordinances allocates twenty-five percent of income tax collections to the General Fund and the remaining seventy-five percent to the Income Tax Permanent Improvement Fund.

**Note 7 – Risk Management**

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2023, retention levels are \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and accumulated surplus /deficit at March 31, 2023.

Assets	\$ 841,929
Liabilities	(1,029,623)
Accumulated Surplus/(Deficit)	<u><u>\$ (187,694)</u></u>

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

### **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.

#### ***Social Security***

Some 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 cost-sharing, multiple-employer defined benefit postemployment plans. 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 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
Ohio Water Development Authority 5022	\$ 96,118	0%
Ohio Water Development Authority 8990	50,919	1.92%
Ohio Water Development Authority 9957	224	1.86%
Ohio Water Development Authority 10158	168,000	0%
Ohio Public Works Commission CT80W	53,681	0%
Ohio Public Works Commission CN27Q	9,000	0%
Ohio Public Works Commission CT54R	40,564	0%
Ohio Public Works Commission CU26Y	14,790	0%
Ohio Public Works Commission CT85Y	13,358	0%
Unified - Truck 2020	7,967	3.53%
<b>Total</b>	<b>\$ 454,621</b>	

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 10 – Debt (Continued)**

The Ohio Water Development Authority (OWDA) loan #5022 relates to a new filter system for the water treatment plant. This loan was approved and issued in 2009 in the amount of \$191,977. The loan is for 30 years at a zero interest rate. The loan will be repaid in semi-annual installments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) loan #8990 relates to the Wastewater Treatment Plant - Clarifier. The loan was issued in 2022 in the amount of \$56,845. The loan is for 5 years at a 1.92 percent interest rate. The loan will be repaid in semi-annual installments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Amortization Schedule not available. In 2023, the outstanding principal balance increased \$963 due to capitalized interest.

The Ohio Water Development Authority (OWDA) loan #9957 relates to the waterline and service line replacement. The loan was issued in 2022 in the amount of \$1,499. The loan is for 20 years at a 1.86 percent interest rate. The loan will be repaid in semi-annual installments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Amortization Schedule not available. This loan was not included in the Village's 2022 financial statements. In 2023, the outstanding principal balance increased \$14 due to capitalized interest.

The Ohio Water Development Authority (OWDA) loan #10158 relates to the Sanitary Sewer Extension – Hilltop Drive and Main Street. The loan was issued in 2023 in the amount of \$188,000. The loan is for 5 years at a 0 percent interest rate. The loan will be repaid in semi-annual installments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Amortization Schedule not available.

The Ohio Public Works Commission (OPWC CT80W) loan relates to 2nd street waterline project phase II. The loan was issued in 2020 for \$59,645 and repayment began on July 1, 2020. The loan is for 30 years at a 0 percent interest rate. The Village will repay the loan in semiannual payments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC CN27Q) loan relates to Sewer Improvement project. The loan was issued in 2015 for \$45,000 and repayment began on July 1, 2015. The loan is for 10 years at a 0 percent interest rate. The Village will repay the loan in semiannual payments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC CT54R) loan relates to Waterline Replacement project. The loan was issued in 2017 for \$50,705 and repayment began on July 1, 2017. The loan is for 30 years at a 0 percent interest rate. The Village will repay the loan in semiannual payments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC CU26Y) loan relates to Fowler Sanitary Sewer Improvement project. The loan was issued in 2022 for \$15,989 and repayment began on January 1, 2023. The loan is for 20 years at a 0 percent interest rate. The Village will repay the loan in semiannual payments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

**Village of Scio, Ohio**  
**Harrison County**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

---

**Note 10 – Debt (Continued)**

The Ohio Public Works Commission (OPWC CT85Y) loan relates to Waterline Replacement project. The loan was issued in 2022 for \$149,900 and repayment is due to begin on July 1, 2024. The loan is for 30 years at a 0 percent interest rate. The Village will repay the loan in semiannual payments. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. The loan has not been fully disbursed as of December 31, 2023. Amortization Schedule not available.

The Unified Bank loan relates to the 2020 Ford truck purchased by the Village in September 2020 for \$38,307 at a rate of 3.529% for five years at annual payments of \$8,253. Unified Bank is holding the title to the new vehicle as collateral.

**Amortization**

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

Year Ending December 31:	OWDA 5022	OPWC CT80W	OPWC CN27Q	OPWC CT54R	OPWC CU26Y
2024	\$ 3,101	\$ 1,988	\$ 4,500	\$ 1,690	\$ 799
2025	6,201	1,988	4,500	1,690	799
2026	6,201	1,988	-	1,690	799
2027	6,201	1,988	-	1,690	799
2028	6,201	1,988	-	1,690	799
2029-2033	31,006	9,941	-	8,451	3,997
2034-2038	31,006	9,941	-	8,451	3,997
2039-2043	6,199	9,941	-	8,451	2,798
2044-2048	-	9,941	-	6,761	-
2049-2053	-	3,977	-	-	-
Total	<u>\$ 96,118</u>	<u>\$ 53,681</u>	<u>\$ 9,000</u>	<u>\$ 40,564</u>	<u>\$ 14,790</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. The Village had no outstanding encumbrances at year end.

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

**Village of Scio, Ohio**  
*Harrison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the Village expended COVID-19 funding. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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

Village of Scio  
Harrison County  
PO Box 307  
Scio, Ohio 43988

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type of the Village of Scio, Harrison County, (the Village) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, and have issued our report thereon dated August 31, 2025, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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 purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2024-001 that we consider to be a material weakness.

*Village of Scio  
Harrison 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2024-002.

We also noted certain other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 31, 2025.

***Village's Responses to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the responses.

***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.

*Charles E. Harris & Associates*

***Charles E. Harris & Associates, Inc.***  
August 31, 2025

**VILLAGE OF SCIO  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**FINDING 2024-001 – Material Weakness**

**Financial Reporting**

The Village should have procedures and controls in place to prevent and detect errors in financial reporting. During 2024 and 2023, receipts and disbursements were not always posted or classified correctly. The following posting errors were noted:

**For 2024**

- \$26,291 of royalty receipts were improperly recorded as fines, licenses and permits revenue instead of miscellaneous revenue in the General Fund;
- \$10,023 of cable franchise fee receipts were improperly recorded as miscellaneous revenue instead of fines, licenses and permits revenue in the General Fund;
- \$136,542 of OPWC CT85Y loan debt proceeds, and the corresponding capital outlay was not recorded in the Water Fund; and
- \$131 of the debt payment to Unified Bank was improperly recorded as principal retirement instead of interest in the Income Tax/Perm Improvement Fund.

**For 2023**

- \$293 of Permissive Motor Vehicle License Tax receipts were improperly recorded in the General Fund instead of the Permissive Motor Vehicle License Tax Fund;
- \$36,164 of royalty receipts were improperly recorded as fines, licenses and permits revenue instead of miscellaneous revenue in the General Fund;
- \$10,926 of cable franchise fee receipts were improperly recorded as miscellaneous revenue instead of fines, licenses and permits revenue in the General Fund;
- \$2,392 of gasoline tax receipts were improperly recorded to the State Highway Fund instead of the Street, Construction, Maintenance and Repair Fund;
- \$150 of cigarette tax receipts were improperly recorded to the Permissive Motor Vehicle License Tax Fund instead of the General Fund;
- \$13,358 of OPWC Loan CT85Y loan debt proceeds were improperly recorded as intergovernmental revenue instead of other debt proceeds revenue in the Waterline Rep OPWC ARC EPA Fund;
- \$9,000 of a Community Development Block Grant receipt was improperly recorded as other debt proceeds instead of intergovernmental revenue in the Waterline Rep OPWC ARC EPA Fund; and
- \$560 of the debt payment to Unified Bank was improperly recorded as principal retirement instead of interest in the Income Tax/Perm Improvement Fund.
- Loan principal retirement was reclassified from Capital Outlay to Principal Retirement for \$43,198.
- Other financing uses were reclassified to General Government for \$42,758.

Not posting receipts and disbursements correctly resulted in the financial statements requiring reclassification and adjusting entries. The financial statements and Village's records reflect all reclassifications and adjustments.

Also, during 2024 and 2023 certain aspects of the notes to the financial statements were needed to be corrected from the Hinkle filing to agree to the audited financial statements.

**VILLAGE OF SCIO  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**FINDING 2024-001 – Material Weakness (Continued)**

We made corrections to the following notes disclosures.

- Budgetary Activity
- Deposits and Investments
- Debt

We recommend the Fiscal Officer refer to the Village Officers' Handbook, Uniform Accounting Network (UAN) Manual and other Auditor of State guidance to determine the proper establishment of disbursement accounts and proper posting. Also, to help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements and notes to the financial statements. Such review should include procedures to ensure that all receipts and disbursements are properly identified and classified on the financial statements. We recommend the Village use the most current available templates for financial statements and notes to the financial statements on the Auditor of State's website <http://www.ohioauditor.gov/references/shells/regulatory.html> to prepare an accurate annual financial report.

**Management's Response** – See Corrective Action Plan.

**FINDING 2024-002 – Noncompliance**

**Ohio Revised Code Section 5705.41(D)(1)** provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the Fiscal Officer certifying that the amount required to meet the obligation or, in the case of a continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code §§ 5705.41(D)(1) and 5705.41(D)(3), respectively.

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

Amounts less than \$100 in counties and less than \$3,000 in all other subdivisions or taxing units may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

**VILLAGE OF SCIO  
HARRISON COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**FINDING 2024-002 – Noncompliance (Continued)**

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

Due to deficiencies in internal controls, 62% percent of the transactions tested at year-end in 2023, and 58% percent of the transactions tested at year-end in 2024 were not properly certified by the Fiscal Officer at the time the commitment was incurred. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's expenditures exceeding budgetary spending limitations, we recommend that the Village certify expenditures prior to incurring the liability. The Village may use then and now certificates and blanket purchase orders to assist with compliance with the above requirements, but should limit the usage and also, have the trustees approve certificates over \$3,000.

**Management's Response – See Corrective Action Plan.**

**VILLAGE OF SCIO  
HARRISON COUNTY**

**SUMMARY SCHEDULE OF PRIOR FINDINGS –  
PREPARED BY MANAGEMENT  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2022-001	Material Weakness - Financial Reporting	Not Corrected	N/A

**VILLAGE OF SCIO  
HARRISON COUNTY**

**CORRECTIVE ACTION PLAN - PREPARED BY MANAGEMENT  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2024-001	The Village will attempt to correctly post all transactions in the future. The Village will review the Village Handbook and review financial statements and notes prior to submitting to the Hinkle system.	Immediately	Renea Riesen, Fiscal Officer
2024-002	The Village will review Ohio Revised Code Section 5705 to comply with applicable sections concerning the certification of funds.	Immediately	Renea Riesen, Fiscal Officer

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SCIO

HARRISON COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/17/2026

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