

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 2010 and 2009

BARBARA GOODMAN, FISCAL OFFICER



Dave Yost • Auditor of State

Members of Council
Village of Stoutsville
5580 Hamburg Road
Amanda, Ohio 43102

We have reviewed the *Independent Auditor's Report* of the Village of Stoutsville, Fairfield County, prepared by Julian & Grube, Inc., for the audit period January 1, 2009 through December 31, 2010. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Stoutsville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 14, 2011

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**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditor's Report

Members of Council and Mayor
Village of Stoutsville
5580 Hamburg Road
Amanda, Ohio 43102

We have audited the accompanying financial statements of the Village of Stoutsville, Fairfield County, Ohio, (the "Village") as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Village of Stoutsville'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 described more fully in Note 2, the Village of Stoutsville prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also to presenting the Village of Stoutsville's larger (i.e. major) funds separately. While the Village of Stoutsville does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require the Village of Stoutsville to reformat their statements. The Village of Stoutsville has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

Independent Auditor's Report
Village of Stoutsville
Page 2

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Stoutsville as of December 31, 2010 and 2009, or its changes in financial position or cash flows, where applicable, for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash fund balances of the Village of Stoutsville, Fairfield County, Ohio, as of and for the years ended December 31, 2010 and 2009, and its combined cash receipts and cash disbursements and combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the years then ended on the accounting basis as Note 2 describes.

As disclosed in Note 5, the Village has reported a prior period adjustment in the amount reported as outstanding debt obligations at December 31, 2008.

The Village of Stoutsville has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2011, on our consideration of the Village of Stoutsville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Julian & Grube, Inc.
June 20, 2011

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2010 AND 2009

<u>Cash and Cash Equivalents</u>	2010	2009
Cash and Cash Equivalents	\$ 235,712	\$ 211,171
Total Cash and Cash Equivalents	\$ 235,712	\$ 211,171
<u>Cash Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General	\$ 55,324	\$ 47,100
Special Revenue Funds	130,388	114,045
Capital Projects Funds	50,000	-
Total Governmental Fund Types	235,712	161,145
<u>Proprietary Fund Type:</u>		
Enterprise Fund	-	50,026
Total Fund Balances	\$ 235,712	\$ 211,171

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash receipts:				
Property and local taxes	\$ 27,860	\$ 7,771	\$ -	\$ 35,631
Intergovernmental	15,622	30,342	83,500	129,464
Licenses, permits and fees	3,003	-	-	3,003
Interest	678	531	-	1,209
Miscellaneous	1,221	-	-	1,221
Total cash receipts	<u>48,384</u>	<u>38,644</u>	<u>83,500</u>	<u>170,528</u>
Cash disbursements:				
Current:				
Security of persons and property	3,825	2,250	-	6,075
Public health services	912	-	-	912
Leisure time activities	945	-	-	945
Transportation	-	19,854	-	19,854
General government	33,408	197	-	33,605
Capital outlay	36,000	-	83,500	119,500
Debt service:				
Principal retirement	737	-	-	737
Interest and fiscal charges	359	-	-	359
Total cash disbursements	<u>76,186</u>	<u>22,301</u>	<u>83,500</u>	<u>181,987</u>
Total cash receipts over/(under) cash disbursements	<u>(27,802)</u>	<u>16,343</u>	<u>-</u>	<u>(11,459)</u>
Other financing receipts/(disbursements)				
Proceeds of notes	36,000	-	-	36,000
Operating transfers in	50,026	-	50,000	100,026
Operating transfers out	(50,000)	-	-	(50,000)
Total other financing receipts/(disbursements)	<u>36,026</u>	<u>-</u>	<u>50,000</u>	<u>86,026</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	8,224	16,343	50,000	74,567
Cash fund balances, January 1, 2010	<u>47,100</u>	<u>114,045</u>	<u>-</u>	<u>161,145</u>
Cash fund balances, December 31, 2010	<u>\$ 55,324</u>	<u>\$ 130,388</u>	<u>\$ 50,000</u>	<u>\$ 235,712</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND BALANCE - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Proprietary Fund Type
	Enterprise
Operating cash disbursements:	
Contractual services	\$ 6,134
Total operating cash disbursements	6,134
Operating income/(loss)	(6,134)
Nonoperating cash receipts/(disbursements):	
Special Assessments	6,134
Total nonoperating cash receipts/(disbursements)	6,134
Income/(loss) before operating transfers	-
Transfers out	(50,026)
Net income/(loss)	(50,026)
Cash fund balances, January 1, 2010	50,026
Cash fund balances, December 31, 2010	\$ -

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

Fund Types	Receipts					Prior Year Carryover Appropriations	2010 Appropriations	Total	Actual 2010 Disbursements	Encumbrances Outstanding at 12/31/10	Total	Variance Favorable (Unfavorable)
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2010 Receipts	Variance Favorable (Unfavorable)							
Governmental:												
General	\$ 61,636	\$ 93,940	\$ 155,576	\$ 134,410	\$ 40,470	\$ -	\$ 109,590	\$ 109,590	\$ 126,186	\$ -	\$ 126,186	\$ (16,596)
Special Revenue	99,506	21,400	120,906	38,644	17,244	-	55,000	55,000	22,301	-	22,301	32,699
Capital Projects	-	133,500	133,500	133,500	-	-	133,500	133,500	83,500	-	83,500	50,000
Proprietary:												
Enterprise	50,026	6,134	56,160	6,134	-	-	56,160	56,160	56,160	-	56,160	-
Total (Memorandum Only)	<u>\$ 211,168</u>	<u>\$ 254,974</u>	<u>\$ 466,142</u>	<u>\$ 312,688</u>	<u>\$ 57,714</u>	<u>\$ -</u>	<u>\$ 354,250</u>	<u>\$ 354,250</u>	<u>\$ 288,147</u>	<u>\$ -</u>	<u>\$ 288,147</u>	<u>\$ 66,103</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Property and local taxes	\$ 12,768	\$ 7,733	\$ 20,501
Intergovernmental	14,004	31,082	45,086
Licenses, permits and fees	2,358	-	2,358
Interest	1,101	826	1,927
Miscellaneous	2,962	-	2,962
Total cash receipts	<u>33,193</u>	<u>39,641</u>	<u>72,834</u>
Cash disbursements:			
Current:			
Security of persons and property	4,045	3,980	8,025
Public health services	1,815	-	1,815
Transportation	-	43,938	43,938
General government	51,037	80	51,117
Total cash disbursements	<u>56,897</u>	<u>47,998</u>	<u>104,895</u>
Total cash receipts over/(under) cash disbursements	<u>(23,704)</u>	<u>(8,357)</u>	<u>(32,061)</u>
Other financing receipts/(disbursements)			
Operating transfers out	<u>(11,300)</u>	-	<u>(11,300)</u>
Total other financing receipts/(disbursements)	<u>(11,300)</u>	-	<u>(11,300)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(35,004)	(8,357)	(43,361)
Cash fund balances, January 1, 2009	<u>82,104</u>	<u>122,402</u>	<u>204,506</u>
Cash fund balances, December 31, 2009	<u>\$ 47,100</u>	<u>\$ 114,045</u>	<u>\$ 161,145</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH
FUND BALANCE - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2009

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 146,592
Total operating cash receipts	146,592
Operating cash disbursements:	
Personal services	5,200
Employee fringe benefits	800
Contractual services	84,380
Supplies and materials	507
Total operating cash disbursements	90,887
Operating income/(loss)	55,705
Nonoperating cash receipts/(disbursements):	
Special assessments	1,854
Sale of notes	209,000
Redemption of principal	(234,000)
Capital outlay	(9,255)
Total nonoperating cash receipts/(disbursements)	(32,401)
Income/(loss) before operating transfers	23,304
Transfers in	84,988
Transfers out	(73,688)
Special item - see note 2	(33,188)
Net income/(loss)	1,416
Cash fund balances, January 1, 2009	48,610
Cash fund balances, December 31, 2009	\$ 50,026

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

Fund Types	Receipts					Prior Year Carryover Appropriations	2009 Appropriations	Total	Actual 2009 Disbursements	Encumbrances Outstanding at 12/31/09	Total	Variance Favorable (Unfavorable)
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2009 Receipts	Variance Favorable (Unfavorable)							
Governmental:												
General	\$ 99,342	\$ 30,255	\$ 129,597	\$ 33,193	\$ 2,938	\$ 14,572	\$ 71,205	\$ 85,777	\$ 68,197	\$ -	\$ 68,197	\$ 17,580
Special Revenue	107,864	20,900	128,764	39,641	18,741	-	103,200	103,200	47,998	-	47,998	55,202
Capital Projects	-	133,500	133,500	-	(133,500)	-	133,500	133,500	-	-	-	133,500
Proprietary:												
Enterprise	59,910	595,993	655,903	442,434	(153,559)	-	506,074	506,074	441,018	-	441,018	65,056
Total (Memorandum Only)	\$ 267,116	\$ 780,648	\$ 1,047,764	\$ 515,268	\$ (265,380)	\$ 14,572	\$ 813,979	\$ 828,551	\$ 557,213	\$ -	\$ 557,213	\$ 271,338

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of Stoutsville, Fairfield County, Ohio, (the “Village”) is a body corporate and politic 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 Council. The Village contracts with the Fairfield County Sheriff’s department to provide security of persons and property. The Village contracts with Clearcreek Township who provides fire protection services.

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

The most significant of the Village’s accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

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

Governmental Fund Types

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.

Special Revenue Funds

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

Street Construction, Maintenance & Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets (2010 and 2009).

Permissive Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax monies for maintaining and repairing Village streets (2009).

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise funds). The Village had the following significant Capital Projects fund:

Capital Projects Paving Fund - This fund receives the Village's Ohio Public Works Commission ("OPWC") grant monies for street projects (2010).

Proprietary Fund Type

Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant cost of providing certain goods/services will be recovered through user charges. The Village had the following significant Enterprise funds:

Sanitary Sewer Improvement Fund - This fund received grant monies and loan proceeds to build and maintain a sanitary sewer system. Loan proceeds received in 2009 for repairs were subsequently returned upon sale of sanitary sewer system (2009).

Sewer Debt Service Fund - This fund received transfers from the Sewer Operating Fund to retain monies related to the sale agreement. This fund was closed in 2010 with a residual equity transfer (2010).

Sewer Operating Fund - This fund receives charges for services from residents to cover the cost of providing this utility (2009).

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).

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The primary level of budgetary control is at the object level within a department and fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except certain agency funds, are legally required to be budgeted. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates. Fairfield County waived this requirement for 2010 and 2009.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates and the Budget Commission find the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated. The Village had no outstanding encumbrances at December 31, 2010 and 2009.

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$1,209 and \$1,927 for the years ended December 31, 2010 and 2009, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Capital assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded by the Village.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

G. INTERFUND TRANSACTIONS

During the course of normal operations, the Village had transactions between funds. The most significant include transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the necessary fund and are recorded as operating transfers. Residual equity transfers are nonrecurring or non-routine transfers of equity between funds.

Transfers are intended to permanently reallocate money from one fund to another as authorized in the Ohio Revised Code Sections 5705.14 to 5705.16.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

I. SPECIAL ITEM

On August 12, 2009, the Village signed an agreement to sell the sanitary sewer system and its operations to Earnhart Hill. The Village was required to relinquish \$33,188 of the sewer operating fund balance on the date of the sale and Earnhart Hill assumed all related debt obligations in accordance with the sale agreement. The amount of \$33,188 is shown as a special item on the December 31, 2009 Combined Statement of Cash Receipts, Cash Disbursements and Changes in Cash Fund Balance - Proprietary Fund Type.

NOTE 3 - COMPLIANCE

- A. The Village certified balances that did not agree to the financial reports at January 1, 2010 and January 1, 2009 in noncompliance with Ohio Revised Code Section 5705.36.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 3 - COMPLIANCE - (Continued)

- B. The Village had expenditures exceeding appropriations in noncompliance with Ohio Revised Code Section 5705.41(B) at December 31, 2010 and December 31, 2009. This resulted in the Village being noncompliant with Ohio Revised Code Section 5705.40 for not properly amending its appropriations throughout the year or at year end for 2010 and 2009.
- C. The Village had appropriations greater than actual resources in noncompliance with Ohio Revised Code Section 5705.36(A)(4) for the year ended December 31, 2009.

NOTE 4 - CASH AND CASH EQUIVALENTS

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

	2010	2009
Deposits:		
Demand deposits	\$ 235,712	\$ 211,171

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

NOTE 5 - DEBT OBLIGATIONS

At December 31, 2010 and 2009, debt obligations consisted of the following issuance:

<u>Description</u>	<u>Balance at 12/31/10</u>	<u>Balance at 12/31/09</u>
2010 Kingston National Bank Loan for the purchase of real estate intended to be used for a community park. Payments are due in quarterly installments of \$1,096 through 2020 at an interest rate of 4%.	\$ 35,263	\$ -
Total debt obligation at, December 31	\$ 35,263	\$ -

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 5 - DEBT OBLIGATIONS - (Continued)

Transactions for the years ended December 31, 2010 and 2009 are summarized as follows:

<u>2010</u>	<u>Balance at</u> <u>01/01/10</u>	<u>Proceeds</u>	<u>Principal</u> <u>Retirement</u>	<u>Balance at</u> <u>12/31/10</u>
2010 Kingston National Bank Loan	\$ -	\$ 36,000	\$ (737)	\$ 35,263
Total	<u>\$ -</u>	<u>\$ 36,000</u>	<u>\$ (737)</u>	<u>\$ 35,263</u>

<u>2009</u>	<u>Restated</u> <u>Balance at</u> <u>01/01/09</u>	<u>Proceeds</u>	<u>Principal</u> <u>Retirement</u>	<u>Principal</u> <u>Paid</u>	<u>Principal</u> <u>Assumed</u>	<u>Balance at</u> <u>12/31/09</u>
2009 USDA Loan - Sanitary Sewer	\$ -	\$ 209,000	\$ (209,000)	\$ -	\$ -	\$ -
2008 USDA Loan - Water and Waste Disposal	1,656,664	-	-	-	(1,656,664)	-
2005 OPWC Loan 30H	<u>475,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>(450,000)</u>	<u>-</u>
Total	<u>\$ 2,131,664</u>	<u>\$ 209,000</u>	<u>\$ (234,000)</u>	<u>\$ -</u>	<u>\$(2,106,664)</u>	<u>\$ -</u>

The January 1, 2009 outstanding debt obligations are being restated to remove \$123,305 of outstanding loans. The \$123,305 were loan assistance grants from OPWC and not actual loans to be repaid.

As of December 31, 2009, all debt outstanding associated with the Village's Sanitary Sewer System was assumed by Earnhart Hill in accordance with the sale agreement.

The principal and interest requirements to retire the debt obligation outstanding at December 31, 2010 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>2010 Kingston National Bank Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,021	\$ 1,365	\$ 4,386
2012	3,140	1,246	4,386
2013	3,271	1,115	4,386
2014	3,404	982	4,386
2015	3,542	844	4,386
2016 - 2020	<u>18,885</u>	<u>2,791</u>	<u>21,676</u>
Total	<u>\$ 35,263</u>	<u>\$ 8,343</u>	<u>\$ 43,606</u>

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 6 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. 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 payments, the first half is due December 31. The second half payment is due on the following June 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the Village due to the phasing out of the tax. In calendar years 2006-2010, the Village will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

NOTE 7 - RETIREMENT SYSTEM

The Village's employees' belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. The plan provides retirement benefits, including post-retirement 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 2010 and 2009, OPERS members contributed 10% of their gross salaries. The Village contributed an amount equal to 14% of participants' gross salaries for both 2010 and 2009. At December 31, 2010, the Village has paid all contributions required.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 8 - INTERFUND TRANSACTIONS

The Village had the following interfund transfers for the years ended December 31, 2010 and 2009:

<u>2010</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Fund Type/Fund:</u>		
General Fund	\$ 50,026	\$ 50,000
<u>Capital Projects Fund:</u>		
Other Capital Projects - Property	50,000	-
<u>Enterprise Funds:</u>		
Sewer Debt Service	-	50,000
Sanitary Sewer Improvement	-	26
Total Enterprise Funds	-	50,026
Total	\$ 100,026	\$ 100,026
 <u>2009</u>		
<u>Fund Type/Fund:</u>		
General Fund	\$ -	\$ 11,300
<u>Enterprise Funds:</u>		
Sewer Operating	-	73,688
Sewer Debt Service	73,688	-
Sanitary Sewer Improvement	11,300	-
Total Enterprise Funds	84,988	73,688
Total	\$ 84,988	\$ 84,988

In 2010, the transfer from the Enterprise Sewer Debt Service Fund and the Sanitary Sewer Improvement Fund to the General Fund was a residual equity transfer as the result of the sale of the Sanitary Sewer System. In 2009, the transfer from the Sewer Operating Fund to the Sewer Debt Service Fund is for funding a portion of the sale agreement (\$23,688) as well as funding the amount to be retained by the Village in accordance with the sale (\$50,000).

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 8 - INTERFUND TRANSACTIONS - (Continued)

The transfers during the years ended December 31, 2010 and 2009 were made in accordance with the Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 9 - RISK MANAGEMENT

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), a nonassessable, unincorporated non-profit association providing a formalized, jointly administered selfinsurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retain 15% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 650 members as of December 31, 2008. The Village participates in this coverage.

In August, 2007, OGRMP formed the Ohio Plan Healthcare Consortium ("OPHC"), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member's healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 40 members as of December 31, 2008. The Village does not participate in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 9 - RISK MANAGEMENT - (Continued)

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2009 and 2008 (the latest information available), and include amounts for both OPRRM and OPHC:

	2009	2008
Assets	\$ 11,176,186	\$ 10,471,114
Liabilities	<u>(4,852,485)</u>	<u>(5,286,781)</u>
Members' Equity	<u>\$ 6,323,701</u>	<u>\$ 5,184,333</u>

NOTE 10 - CONTINGENT LIABILITIES

The Village is not currently involved in litigation.



Julian & Grube, Inc.

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Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Members of Council and Mayor
Village of Stoutsville
5580 Hamburg Road
Amanda, Ohio 43102

We have audited the financial statements of the Village of Stoutsville, Fairfield County, Ohio, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 20, 2011, wherein we noted the Village of Stoutsville followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. As disclosed in Note 5, the Village has reported a prior period adjustment in the amounts reported as outstanding debt obligations at January 1, 2009. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Stoutsville's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village of Stoutsville's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village of Stoutsville's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting, that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village of Stoutsville's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-VOS-001 described in the accompanying schedule of findings and responses to be a material weakness.

Members of Council and Mayor
Village of Stoutsville

Compliance and Other Matters

As part of reasonably assuring whether the Village of Stoutsville's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed four instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2010-VOS-002 through 2010-VOS-005.

We also noted certain matters not requiring inclusion in this report that we reported to the Village of Stoutsville's management in a separate letter dated June 20, 2011.

The Village of Stoutsville's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Village of Stoutsville's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the management, council and others within the Village of Stoutsville. We intend it for no one other than these specified parties.



Julian & Grube, Inc.
June 20, 2011

VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO
DECEMBER 31, 2010 AND 2009

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2010-VOS-001

Material Weakness - Financial Statement Reporting

Sound financial reporting is the responsibility of the Village Council and Fiscal Officer. It is essential that strong internal controls are in place and properly working efficiently and effectively.

We identified misstatements in the financial statements for the year under audit that were not initially identified by the Village's internal control. The audit adjustments were made to the Village's financial statements. A description of the adjustments follows:

2009

USDA loan (Enterprise Funds) - An adjustment was necessary to properly reflect a USDA loan issuance and subsequent payment for the Sanitary Sewer system. The adjustment decreased intergovernmental receipts and capital outlay and increased proceeds of notes and principal redemption in the amount of \$209,000.

Motor Vehicle License Tax (Special Revenue Funds) - An adjustment was necessary to properly record motor vehicle license tax in the proper fund. The adjustment decreased cash and intergovernmental receipts in the permissive motor vehicle fund and increased cash and intergovernmental revenue in the street construction maintenance and repair fund in the amount of \$619.

Debt Note - A restatement was necessary to the beginning outstanding debt. It was necessary to decrease the January 1, 2009 balance of \$123,305 for grants that were improperly included as loans.

2010

Permissive Motor Vehicle License Tax (Special Revenue Funds) - An adjustment was necessary to properly record permissive motor vehicle license tax in the proper fund. The adjustment decreased cash and intergovernmental receipts in the street construction maintenance and repair fund and increased cash and intergovernmental revenue in the permissive motor vehicle fund in the amount of \$116.

Kingston National Bank Loan (General Fund) - An adjustment was necessary to properly reflect a Kingston National Bank loan the Village entered into, in order to purchase land for development of the community park. The adjustment increased proceeds of notes and increased capital outlay in the amount of \$36,000.

The audited financial statements and the Village's records reflect these adjustments.

The presentation of materially correct financial statements and the related footnotes is the responsibility of management.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2010-VOS-001 - (Continued)

We recommend that the Village implement control procedures that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and related notes.

Client Response: The Village Fiscal Officer will continue to strive to create a sound fiscal environment for the Village and will incorporate the use of the Village handbook and local government services.

Finding Number	2010-VOS-002
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Ohio Revised Code Section 5705.36, in part, requires fiscal officers to certify to the County Auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

The Village certified balances that did not agree to the financial reports at January 1, 2010 and January 1, 2009.

The Village is not accurately reflecting its various fund balances to the County Auditor for proper certification of available resources to be appropriated.

We recommend that the Village review the Ohio Compliance Supplement and the Village manual. The Village can also consult its auditors to ensure that Village fund balances agree to audited reports. This will enable the County Auditor to perform the proper certification with accurate information. This will in turn allow the Village to properly appropriate funds within its available resources.

Client Response: The Village is attempting to monitor the budget more closely.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2010-VOS-003

Ohio Revised Code Section 5705.41(B) requires in part that no subdivision is to expend monies unless it has been appropriated.

At December 31, 2010, the Village had disbursements in excess of appropriations as follows:

<u>Fund/Department/Object</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Excess</u>
<u>General Fund</u>			
<u>Other General Government</u>			
Other - Other Contractual Services	\$ -	\$ 8,403	\$ 8,403
<u>Transfers Out</u>			
Transfers Out	-	50,000	50,000

At December 31, 2009, the Village had disbursements in excess of appropriations as follows:

<u>Fund/Department/Object</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Excess</u>
<u>General Fund</u>			
<u>Other General Government</u>			
Other - Other Contractual Services	\$ -	\$ 4,941	\$ 4,941
<u>Special Revenue</u>			
Street Construction, Maintenance and Repair			
<u>Storm Sewers and Drains</u>			
Other - Other Contractual Services	2,000	3,083	1,083
<u>Enterprise</u>			
Sewer Operating Fund			
<u>Supply/Purchase - Sanitary Sewers and Sewage</u>			
Other Contractual Services	-	13,393	13,393

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2010-VOS-003 - (Continued)

<u>Fund/Department/Object</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Excess</u>
<u>Other Sanitary Sewers and Sewage</u>			
Electricity	\$ 18,000	\$ 23,685	\$ 5,685
Other - Professional and Technical Services	-	29,926	29,926
<u>Transfers Out</u>			
Transfers Out	-	73,688	73,688
<u>Other Financing Uses</u>			
Other - Other Financing Uses	-	8,673	8,673

With disbursements exceeding appropriations, the Village is spending monies that have not been lawfully appropriated by Village Council. This may result in unnecessary purchases or overspending which may result in a negative fund balance.

We recommend that the Village comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring their expenditures so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis.

Client Response: The Village Council will attempt to pass amended appropriations as needed in accordance with the Ohio Revised Code.

Finding Number	2010-VOS-004
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Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section requires that any amendments to an appropriation measure be made by Council resolution and comply with the same provisions of the law as used in making the original appropriations.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2010-VOS-004 - (Continued)

Expenditures exceeded appropriations during 2010 and 2009 due to the Village not timely or properly modifying its appropriations throughout the year.

By not timely and properly modifying the Village's appropriations, the Village is not adequately monitoring appropriations versus expenditures. With expenditures exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend that the Village comply with Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary.

Client Response: The Village will continue to attempt to modify appropriations in an efficient and accurate manner.

Finding Number	2010-VOS-005
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Ohio Revised Code Section 5705.36 (A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the clerk-treasurer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

At December 31, 2009, the Village had appropriations greater than actual resources, which consisted of actual receipts, beginning unencumbered fund balance and prior year encumbrances appropriated in the following funds:

<u>December 31, 2009</u>	<u>Appropriations</u>	<u>Actual Resources</u>	<u>Excess</u>
<u>Capital Projects</u>			
Streets/Lands/Buildings	\$ 50,000	\$ -	\$ 50,000
OPWC Grant - Street Repairs	83,500	-	83,500
<u>Enterprise Funds</u>			
Sewer Operating	199,712	194,031	5,681
Sewer Debt Service	83,064	73,688	9,376

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF FINDINGS AND RESPONSES

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2010-VOS-005 - (Continued)

By appropriating more funds than actual resources, the Village is at risk of spending more money than is available; this may result in negative fund balances.

We recommend the Village monitor appropriations in comparison to actual resources and obtain decreased amended appropriations as needed. Further guidance may be found in Auditor of State Bulletin 97-010.

Client Response: The Village is attempting to monitor the budget more closely.

**VILLAGE OF STOUTSVILLE
FAIRFIELD COUNTY, OHIO
DECEMBER 31, 2010 AND 2009**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2008-4140-001	<u>Significant Deficiency/Material Weakness - Timely Depositing of Receipts</u> - The Clerk/Treasurer held many receipts before depositing them with the Village's financial institution and recording them in the Village's accounting records.	Yes	N/A
2008-4140-002	Ohio Revised Code Section 733.28 requires the Village Clerk/Treasurer to maintain the books of the Village and records of all taxes and assessments.	Yes	N/A
2008-4140-003	Ohio Revised Code Section 5705.36 allows all subdivisions to requires increased amended certificates of estimated resources.	No	Repeated as finding 2010-VOS-005
2008-4140-004	<u>Significant Deficiency/Material Weakness - General Ledger Posting</u> - The loan activity for the intergovernmental receipts was not posted correctly and did not agree with the records from the funding sources for both years.	No	Repeated as finding 2010-VOS-001
2008-4140-005	The Village did not notify the cognizant or oversight agency that an audit report would be available in the prescribed time.	Yes	N/A



Dave Yost • Auditor of State

VILLAGE OF STOUTSVILLE

FAIRFIELD 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
JULY 28, 2011