



**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2018-2017**



**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY  
DECEMBER 31, 2018 AND 2017**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
2018 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis .....	3
Statement of Activities – Cash Basis .....	4
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis Governmental Funds .....	5
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds .....	6
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual – Budget Basis General Fund.....	7
Street Construction and Maintenance Fund.....	8
Permissive MVL Fund .....	9
Police Fund.....	10
Notes to the Basic Financial Statements .....	11
2017 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis .....	24
Statement of Activities – Cash Basis .....	25
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis Governmental Funds .....	26
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds .....	27
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual – Budget Basis General Fund.....	28
Street Construction and Maintenance Fund.....	29
Permissive MVL Fund .....	30
Police Fund.....	31
Notes to the Basic Financial Statements .....	32

VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY  
DECEMBER 31, 2018 AND 2017

TABLE OF CONTENTS (continued)

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	45
Schedule of Findings.....	47

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Village of Stoutsville  
Fairfield County  
11080 Main Street  
Stoutsville, Ohio 43154

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the remaining fund information of the Village of Stoutsville, Fairfield County, Ohio (the Village), as of and for the year ended December 31, 2018, and the governmental activities and each major fund of the Village as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

---

Efficient • Effective • Transparent

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the remaining fund information of the Village of Stoutsville, Fairfield County, Ohio, as of December 31, 2018, and the governmental activities and each major fund of the Village as of December 31, 2017, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Street Construction Maintenance and Repair, Permissive MVL, and Police funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

**Accounting Basis**

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

July 3, 2019

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Net Position - Cash Basis*  
*December 31, 2018*

---

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$304,186</u>
<i>Total Assets</i>	<u><u>\$304,186</u></u>
<b>Net Position</b>	
Restricted for:	
Other Purposes	\$223,430
Unrestricted	<u>80,756</u>
<i>Total Net Position</i>	<u><u>\$304,186</u></u>

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2018*

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Operating Grants and Contributions		Governmental Activities
<b>Governmental Activities</b>				
Current:				
Security of Persons and Property	\$15,615			(\$15,615)
Public Health Services	1,869			(1,869)
Leisure Time Activities	7,100			(7,100)
Transportation	9,314		\$35,118	25,804
General Government	32,395			(32,395)
Debt Service:				
Principal Retirement	3,915			(3,915)
Interest and Fiscal Charges	471			(471)
<i>Total Governmental Activities</i>	<u>\$70,679</u>		<u>\$35,118</u>	<u>(35,561)</u>
General Receipts:				
Property Taxes				41,054
Other Local Taxes				3,578
Income Taxes				29,232
Grants and Entitlements not Restricted to Specific Programs				13,862
Cable Franchise Fees				3,631
Earnings on Investments				723
Miscellaneous				136
<i>Total General Receipts</i>				<u>92,216</u>
Change in Net Position				56,655
<i>Net Position Beginning of Year</i>				<u>247,531</u>
<i>Net Position End of Year</i>				<u><u>\$304,186</u></u>

See accompanying notes to the basic financial statements



**Village of Stoutsville, Ohio**  
 Fairfield County  
 Statement of Assets and Fund Balances - Cash Basis  
 Governmental Funds  
 December 31, 2018

	General	Street Construction Maintenance and Repair	Permissive Motor Vehicle License	Police	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$55,491	\$132,852	\$44,324	\$46,254	\$25,265	\$304,186
<i>Total Assets</i>	<u>\$55,491</u>	<u>\$132,852</u>	<u>\$44,324</u>	<u>\$46,254</u>	<u>\$25,265</u>	<u>\$304,186</u>
<b>Fund Balances</b>						
Restricted		132,852	44,324	46,254		223,430
Committed					25,265	25,265
Unassigned	55,491					55,491
<i>Total Fund Balances</i>	<u>\$55,491</u>	<u>\$132,852</u>	<u>\$44,324</u>	<u>\$46,254</u>	<u>\$25,265</u>	<u>\$304,186</u>

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2018*

	General	Street Construction Maintenance and Repair	Permissive Motor Vehicle License	Police	Capital Projects Paving	Total Governmental Funds
<b>Receipts</b>						
Municipal Income Taxes	\$29,232					\$29,232
Property Taxes	27,650			\$7,358		35,008
Other Local Taxes			\$3,406			3,406
Intergovernmental	19,010	\$33,415	1,703	1,070		55,198
Fines, Licenses and Permits	3,631					3,631
Earnings on Investments	290	320	113			723
Miscellaneous	136					136
	<u>79,949</u>	<u>33,735</u>	<u>5,222</u>	<u>8,428</u>	<u>\$0</u>	<u>127,334</u>
<i>Total Receipts</i>						
<b>Disbursements</b>						
Current:						
Security of Persons and Property	4,695			10,920		15,615
Public Health Services	1,869					1,869
Leisure Time Activities	7,100					7,100
Transportation		9,314				9,314
General Government	32,255			140		32,395
Debt Service:						
Principal Retirement	3,915					3,915
Interest and Fiscal Charges	471					471
	<u>50,305</u>	<u>9,314</u>	<u>0</u>	<u>11,060</u>	<u>0</u>	<u>70,679</u>
<i>Total Disbursements</i>						
<i>Net Change in Fund Balances</i>	29,644	24,421	5,222	(2,632)	0	56,655
<i>Fund Balances Beginning of Year</i>	<u>25,847</u>	<u>108,431</u>	<u>39,102</u>	<u>48,886</u>	<u>25,265</u>	<u>247,531</u>
<i>Fund Balances End of Year</i>	<u>\$55,491</u>	<u>\$132,852</u>	<u>\$44,324</u>	<u>\$46,254</u>	<u>\$25,265</u>	<u>\$304,186</u>

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Municipal Income Taxes	\$0	\$25,000	\$29,232	\$4,232
Property Taxes	26,499	26,499	27,650	1,151
Intergovernmental	12,029	12,029	19,010	6,981
Fines, Licenses and Permits	1,645	1,645	3,631	1,986
Earnings on Investments	125	125	290	165
Miscellaneous	150	150	136	(14)
<i>Total Receipts</i>	40,448	65,448	79,949	14,501
<b>Disbursements</b>				
Current:				
Security of Persons and Property	4,800	4,800	4,695	105
Public Health Services	1,869	1,869	1,869	0
Leisure Time Activities	6,100	7,200	7,100	100
General Government	34,956	40,638	32,255	8,383
Debt Service:				
Principal Retirement	4,000	3,928	3,915	13
Interest and Fiscal Charges	400	473	471	2
<i>Total Disbursements</i>	52,125	58,908	50,305	8,603
<i>Net Change in Fund Balance</i>	(11,677)	6,540	29,644	23,104
<i>Unencumbered Fund Balance Beginning of Year</i>	25,847	25,847	25,847	0
<i>Unencumbered Fund Balance End of Year</i>	\$14,170	\$32,387	\$55,491	\$23,104

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Street Construction Maintenance and Repair Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$23,000	\$23,000	\$33,415	\$10,415
Earnings on Investments	200	200	320	120
<i>Total Receipts</i>	23,200	23,200	33,735	10,535
<b>Disbursements</b>				
Current:				
Transportation	68,000	68,000	9,314	58,686
<i>Total Disbursements</i>	68,000	68,000	9,314	58,686
<i>Net Change in Fund Balance</i>	(44,800)	(44,800)	24,421	69,221
<i>Unencumbered Fund Balance Beginning of Year</i>	108,431	108,431	108,431	0
<i>Unencumbered Fund Balance End of Year</i>	\$63,631	\$63,631	\$132,852	\$69,221

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Permissive Motor Vehicle License Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Other Local Taxes	\$3,200	\$3,200	\$3,406	\$206
Intergovernmental	1,600	1,600	1,703	103
Earnings on Investments	65	65	113	48
<i>Total Receipts</i>	4,865	4,865	5,222	357
<b>Disbursements</b>				
Current:				
Transportation	12,000	12,000	0	12,000
<i>Total Disbursements</i>	12,000	12,000	0	12,000
<i>Net Change in Fund Balance</i>	(7,135)	(7,135)	5,222	12,357
<i>Unencumbered Fund Balance Beginning of Year</i>	39,102	39,102	39,102	0
<i>Unencumbered Fund Balance End of Year</i>	\$31,967	\$31,967	\$44,324	\$12,357

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Police Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property Taxes	\$7,000	\$7,000	\$7,358	\$358
Intergovernmental	1,200	1,200	1,070	(130)
<i>Total Receipts</i>	8,200	8,200	8,428	228
<b>Disbursements</b>				
Current:				
Security of Persons and Property	8,000	12,000	10,920	1,080
General Government	500	500	140	360
<i>Total Disbursements</i>	8,500	12,500	11,060	1,440
<i>Net Change in Fund Balance</i>	(300)	(4,300)	(2,632)	1,668
<i>Unencumbered Fund Balance Beginning of Year</i>	48,886	48,886	48,886	0
<i>Unencumbered Fund Balance End of Year</i>	\$48,586	\$44,586	\$46,254	\$1,668

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 1 – Reporting Entity**

The Village of Stoutsville (the Village), Fairfield 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. The Village is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is comprised solely of the primary government.

***Primary Government***

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of Stoutsville provides the following services to its citizens: street maintenance and repairs, storm sewer maintenance and repairs, and street equipment maintenance. Police services are provided by the Fairfield County Sheriff's office on as-needed basis, fire protection is provided by Clearcreek Township.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool and is associated with a related organization, Ohio Municipal League, on an annual fee basis. Note 10 to the financial statements provides additional information for this entity.

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

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

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

***Basis of Presentation***

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-Wide Financial Statements*** The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

The statement of net position presents the cash balance and debt of the governmental activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Village.

***Fund Financial Statements*** During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

***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 as governmental funds.

***Governmental Funds*** Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds

***General*** 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.

***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 maintenance and repair of streets within the Village.

***Permissive Tax Fund*** The permissive tax fund accounts for and reports that portion of the Ohio Department of Public Safety BMV motor vehicle license and Permissive Tax Distribution restricted for maintenance and repair of streets within the Village.

***Police Fund*** The Police Fund accounts for and reports tax levy revenue collected by the Fairfield County Auditor. Funds are restricted for contracted police services within the Village.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.



**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

***Basis of Accounting***

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

***Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

***Cash***

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2018 was \$290 which includes \$191 assigned from other Village funds.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

***Employer Contributions to Cost-Sharing Pension Plans***

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for other postemployment (OPEB) benefits (OPEB).

***Long-Term Obligations***

The Village's cash basis financial statements do not report liabilities for other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

***Net Position***

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or law or regulations of other governments.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

***Restricted*** Fund balance is reported as 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution or by State Statute. State Statute authorizes the Village Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Street Construction Maintenance and Repair Fund, Permissive MVL Fund and Police Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as restricted, committed or assigned fund balance (cash basis) rather than as cash disbursements (budgetary basis).

There were no encumbrances outstanding at year end (budgetary basis) for the general fund or any other village fund.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 4 – Deposits and Investments**

State statutes classify monies held by the Village as active deposits. Active deposits are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in 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.

The Kingston National Bank participates in the OPCS.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by participation in 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Note 5 – Taxes**

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

The full tax rate for all Village operations for the year ended December 31, 2018, was \$4.70 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2018 property tax receipts were based are as follows:

Real Property	\$8,831,391
Public Utility Personal Property	220,460
<b>Total</b>	<b>\$9,051,851</b>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

***Income Taxes***

The Village levies a 1% percent income tax on substantially all income earned in the Village. In addition, Village residents employed in other municipalities must pay the full 1% to the Village. Additional increases in the income tax rate require voter approval. Employers within the Village withhold income tax on employee compensation and remit at least quarterly and file an annual declaration.

The Village's income tax ordinance requires the income tax receipts to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2018, the receipts were allocated to the general fund.

**Note 6 – Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the Village contracted with The Ohio Municipal League Joint Self-Insurance Pool for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
The Ohio Municipal Joint Self-Insurance Pool		
Blanket Property and Contents, Replacement	\$2,000,000	\$1,000
Automobile Liability	2,000,000	0
Public Officials Liability	2,000,000	1,000
Employment Practice Liability	1,000,000	1,000
Computer - Hardware	2,000	250
Public Employee Dishonesty	2,000,000	1,000
Money and Securities	10,000	0

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for all cities in the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangements insures that each participant shares equally in the overall performance of the GRP. CareWorks Comp provides administrative, cost control and actuarial services to the GRP.

**Note 7 – Defined Benefit Pension Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description – Village employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b>	<b>Combined Plan Formula:</b>	<b>Combined Plan Formula:</b>
1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
<b>2018 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee ***	10.0 %	*	**
<b>2018 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
<b>Total Employer</b>	<b>14.0 %</b>	<b>18.1 %</b>	<b>18.1 %</b>
<b>Employee</b>	<b>10.0 %</b>	<b>12.0 %</b>	<b>13.0 %</b>
*	This rate is determined by OPERS' Board and has no maximum rate established by ORC.		
**	This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.		
***	Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.		
****	This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.		

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village's contractually required contribution was \$2,201 for year 2018.



**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 8 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2018 was 4.0 percent.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was \$2,201 for 2018.

**Note 9 – Debt**

**Loans**

The Village obtained a \$36,000 mortgage from the Kingston National Bank on September 26, 2010 to purchase the former Clearcreek Elementary School from the Board of Education of Amanda-Clearcreek Local School District. The Village receives quarterly invoices showing the amount due. For the year ended December 31, 2018, the amount outstanding was \$7,394.

**Note 10 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**Note 11 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Street Construction Maint / Rep	Permissive MVL	Police	Other Governmental Funds	Total
<b>Restricted for</b>						
Road Improvements	\$0	\$132,852	\$44,324	\$0	\$25,265	\$202,441
Police Operations	0	0	0	46,254	0	46,254
<i>Total Restricted</i>	<u>0</u>	<u>132,852</u>	<u>44,324</u>	<u>46,254</u>	<u>25,265</u>	<u>248,695</u>
<b>Unassigned (Deficits)</b>	<u>55,491</u>					<u>55,491</u>
<i>Total Fund Balances</i>	<u>\$55,491</u>	<u>\$132,852</u>	<u>\$44,324</u>	<u>\$46,254</u>	<u>\$25,265</u>	<u>\$304,186</u>

**Note 12 – Subsequent Events**

The Village levy in excess of the 10 mill limit expired on December 31, 2018. The renewal of said levy will be presented to the electorate at the May 7, 2019 election. The tax will be effective on January 1, 2019 with collection beginning in January, 2020.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

The Village streets are in need of major resurfacing but the Village only has funds for patching the areas that pose a safety threat to its citizens. The underground infrastructure is collapsing creating flooding issues. In 2017, the Village replaced several sections of the underground pipes but the entire system needs replaced. The Village has contracted with an engineering company to assess the repairs needed, develop a plan of action and assist in obtaining grants and low interest loans to replace the system. The limited available funds for “matching” is causing delays in applying for said funding. The Village will be applying for a grant from OPWC this spring and if approved, approximately 1/6th of the infrastructure repair and replacement can be done.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Net Position - Cash Basis*  
*December 31, 2017*

---

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$247,531</u>
<i>Total Assets</i>	<u><u>\$247,531</u></u>
<b>Net Position</b>	
Restricted for:	
Other Purposes	\$196,419
Unrestricted	<u>51,112</u>
<i>Total Net Position</i>	<u><u>\$247,531</u></u>

See accompanying notes to the basic financial statements

Village of Stoutsville, Ohio  
 Fairfield County  
 Statement of Activities - Cash Basis  
 For the Year Ended December 31, 2017

	Cash Disbursements	Net (Disbursements) Receipts and Changes in Net Position	
		Program Cash Receipts	Governmental Activities
<b>Governmental Activities</b>			
Current:			
Security of Persons and Property	\$10,417		(\$10,417)
Public Health Services	1,919		(1,919)
Leisure Time Activities	6,000		(6,000)
Transportation	74,831	\$32,059	(42,772)
General Government	33,384		(33,384)
Debt Service:			
Principal Retirement	3,885		(3,885)
Interest and Fiscal Charges	501		(501)
<i>Total Governmental Activities</i>	<u>\$130,937</u>	<u>\$32,059</u>	<u>(98,878)</u>
General Receipts:			
Property Taxes			41,319
Other Local Taxes			3,361
Grants and Entitlements not Restricted to Specific Programs			11,414
Cable Franchise Fees			3,293
Earnings on Investments			473
Miscellaneous			154
<i>Total General Receipts</i>			<u>60,014</u>
Change in Net Position			(38,864)
<i>Net Position Beginning of Year</i>			<u>286,395</u>
<i>Net Position End of Year</i>			<u>\$247,531</u>

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
 Fairfield County  
 Statement of Assets and Fund Balances - Cash Basis  
 Governmental Funds  
 December 31, 2017

	General	Street Construction Maintenance and Repair	Permissive Motor Vehicle License	Police	Capital Projects Paving	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$25,847	\$108,431	\$39,102	\$48,886	\$25,265	\$247,531
<i>Total Assets</i>	<u>\$25,847</u>	<u>\$108,431</u>	<u>\$39,102</u>	<u>\$48,886</u>	<u>\$25,265</u>	<u>\$247,531</u>
<b>Fund Balances</b>						
Restricted		108,431	39,102	48,886		196,419
Committed					25,265	25,265
Unassigned	25,847					25,847
<i>Total Fund Balances</i>	<u>\$25,847</u>	<u>\$108,431</u>	<u>\$39,102</u>	<u>\$48,886</u>	<u>\$25,265</u>	<u>\$247,531</u>

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Receipts, Disbursements and Changes Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2017*

	General	Street Construction Maintenance and Repair	Permissive Motor Vehicle License	Police	Capital Projects Paving	Total Governmental Funds
<b>Receipts</b>						
Property Taxes	\$27,945			\$7,438		\$35,383
Other Local Taxes			\$3,313			3,313
Intergovernmental	16,153	\$29,919	2,140	1,245		49,457
Fines, Licenses and Permits	3,293					3,293
Earnings on Investments	173	215	85			473
Miscellaneous	154					154
	<u>47,718</u>	<u>30,134</u>	<u>5,538</u>	<u>8,683</u>	<u>\$0</u>	<u>92,073</u>
<i>Total Receipts</i>						
<b>Disbursements</b>						
Current:						0
Security of Persons and Property	4,800			5,617		10,417
Public Health Services	1,919					1,919
Leisure Time Activities	6,000					6,000
Transportation		61,330	13,501			74,831
General Government	33,225			159		33,384
Debt Service:						
Principal Retirement	3,885					3,885
Interest and Fiscal Charges	501					501
	<u>50,330</u>	<u>61,330</u>	<u>13,501</u>	<u>5,776</u>	<u>0</u>	<u>130,937</u>
<i>Total Disbursements</i>						
<i>Net Change in Fund Balances</i>	(2,612)	(31,196)	(7,963)	2,907	0	(38,864)
<i>Fund Balances Beginning of Year</i>	28,459	139,627	47,065	45,979	25,265	286,395
<i>Fund Balances End of Year</i>	<u>\$25,847</u>	<u>\$108,431</u>	<u>\$39,102</u>	<u>\$48,886</u>	<u>\$25,265</u>	<u>\$247,531</u>

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property Taxes	\$26,200	\$26,200	\$27,945	\$1,745
Intergovernmental	11,815	11,815	16,153	4,338
Fines, Licenses and Permits	3,000	3,000	3,293	293
Earnings on Investments	125	125	173	48
Miscellaneous	150	150	154	4
<i>Total Receipts</i>	41,290	41,290	47,718	6,428
<b>Disbursements</b>				
Current:				
Security of Persons and Property	4,800	4,800	4,800	0
Public Health Services	1,919	1,919	1,919	0
Leisure Time Activities	7,000	7,000	6,000	1,000
General Government	36,221	36,221	33,225	2,996
Debt Service:				
Principal Retirement	4,385	4,385	3,885	500
Interest and Fiscal Charges	576	576	501	75
<i>Total Disbursements</i>	54,901	54,901	50,330	4,571
<i>Net Change in Fund Balance</i>	(13,611)	(13,611)	(2,612)	10,999
<i>Unencumbered Fund Balance Beginning of Year</i>	28,459	28,459	28,459	0
<i>Unencumbered Fund Balance End of Year</i>	\$14,848	\$14,848	\$25,847	\$10,999

See accompanying notes to the basic financial statements



**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Street Construction Maintenance and Repair Fund*  
*For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$25,000	\$25,000	\$29,919	\$4,919
Earnings on Investments	210	210	215	5
<i>Total Receipts</i>	25,210	25,210	30,134	4,924
<b>Disbursements</b>				
Current:				
Transportation	103,760	103,760	61,330	42,430
<i>Total Disbursements</i>	103,760	103,760	61,330	42,430
<i>Net Change in Fund Balance</i>	(78,550)	(78,550)	(31,196)	47,354
<i>Unencumbered Fund Balance Beginning of Year</i>	139,627	139,627	139,627	0
<i>Unencumbered Fund Balance End of Year</i>	\$61,077	\$61,077	\$108,431	\$47,354

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Permissive Motor Vehicle License Fund*  
*For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Other Local Taxes	\$3,000	\$3,000	\$3,461	\$461
Intergovernmental	1,135	1,135	1,992	857
Earnings on Investments	65	65	85	20
<i>Total Receipts</i>	4,200	4,200	5,538	1,338
<b>Disbursements</b>				
Current:				
Transportation	15,000	15,000	13,501	1,499
<i>Total Disbursements</i>	15,000	15,000	13,501	1,499
<i>Net Change in Fund Balance</i>	(10,800)	(10,800)	(7,963)	2,837
<i>Unencumbered Fund Balance Beginning of Year</i>	47,065	47,065	47,065	0
<i>Unencumbered Fund Balance End of Year</i>	\$36,265	\$36,265	\$39,102	\$2,837

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Police Fund*  
*For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property Taxes	\$7,000	\$7,000	\$7,438	\$438
Intergovernmental	1,100	1,100	1,245	145
<i>Total Receipts</i>	8,100	8,100	8,683	583
<b>Disbursements</b>				
Current:				
Security of Persons and Property	18,000	18,000	5,617	12,383
General Government	500	500	159	341
<i>Total Disbursements</i>	18,500	18,500	5,776	12,724
<i>Net Change in Fund Balance</i>	(10,400)	(10,400)	2,907	13,307
<i>Unencumbered Fund Balance Beginning of Year</i>	45,979	45,979	45,979	0
<i>Unencumbered Fund Balance End of Year</i>	\$35,579	\$35,579	\$48,886	\$13,307

See accompanying notes to the basic financial statements

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Note 1 – Reporting Entity**

The Village of Stoutsville (the Village), Fairfield 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. The Village is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is comprised solely of the primary government.

***Primary Government***

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of Stoutsville provides the following services to its citizens: street maintenance and repairs. Police services are provided on an as needed basis by the Fairfield County Sheriff. Fire and EMS services are provided by Clearcreek Township.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool. Note 10 to the financial statements provides additional information for these entities.

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**

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village’s accounting policies.

***Basis of Presentation***

The Village’s basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-Wide Financial Statements*** The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

---

The statement of net position presents the cash balance and debt of the governmental activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Village.

***Fund Financial Statements*** During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

***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 as governmental funds.

***Governmental Funds*** Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds.

***General*** 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.

***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 maintenance and repair of streets within the Village.

***Permissive Tax Fund*** The permissive tax fund accounts for and reports that portion of the Ohio Department of Public Safety BMV motor vehicle license and Permissive Tax Distribution restricted for maintenance and repair of streets within the Village.

***Police Fund*** The Police Fund accounts for and reports tax levy revenue collected by the Fairfield County Auditor. Funds are restricted for contracted police services within the Village.

***Capital Projects Paving Fund*** The Capital Projects Paving Fund accounts for and reports street maintenance projects within the Village.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

---

***Basis of Accounting***

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note. As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

***Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

***Cash***

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2017 was \$173 which includes \$129 assigned from other Village funds.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

---

***Employer Contributions to Cost-Sharing Pension Plans***

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

***Long-Term Obligations***

The Village's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

***Net Position***

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or law or regulations of other governments.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

***Restricted*** - Fund balance is reported as 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Committed** - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** - Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution or by State Statute. State Statute authorizes the Village Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

**Unassigned** - Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund, Street Construction Maintenance and Repair Fund, Permissive MVL Fund and Police Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as restricted, committed or assigned fund balance (cash basis) rather than as cash disbursements (budgetary basis).

There were no encumbrances outstanding at year end (budgetary basis) for the general fund or any other village fund.



**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Note 4 – Deposits**

State statutes classify monies held by the Village as active deposits. Active deposits are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Active deposits are held in the Kingston National Bank.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) and by the financial institutions participation in 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.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by participation in 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Village deposits held in excess of FDIC insurance limits of \$250,000 are covered by the OPCS.

**Note 5 – Taxes**

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

The full tax rate for all Village operations for the year ended December 31, 2017, was \$4.70 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2017 property tax receipts were based are as follows:

Real Property	\$8,625,340
Public Utility Personal Property	217,800
<b>Total</b>	<b>\$8,843,140</b>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

**Note 6 – Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2017, the Village contracted with several companies for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Ohio Municipal Joint Self-Insurance Pool		
Blanket Property and Contents, Replacement	\$142,578	\$1,000
Inland Marine	60,000	250
General Liability	2,000,000	1,000
Automobile Liability	2,000,000	0
Public Officials Liability	2,000,000	1,000
Computer - Hardware	4,000	250
Public Employee Dishonesty	100,000	1,000
Money and Securities	10,000	1,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for all cities in the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangements insures that each participant shares equally in the overall performance of the GRP. Comp-Management, LLC provides administrative, cost control and actuarial services to the GRP.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Note 7 – Defined Benefit Pension Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description – Village employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

	State and Local	Public Safety	Law Enforcement
<b>2017 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2017 Actual Contribution Rates</b>			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	1.0	1.0	1.0
<b>Total Employer</b>	<b>14.0 %</b>	<b>18.1 %</b>	<b>18.1 %</b>
<b>Employee</b>	<b>10.0 %</b>	<b>12.0 %</b>	<b>13.0 %</b>
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village's contractually required contribution was \$2,285 for year 2017.

**Note 8 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

---

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Substantially all of the Village's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$163, \$326, and \$256, respectively. The full amount has been contributed for all three years.

## **Note 9 – Debt**

### ***Loans***

The Village obtained a \$36,000 mortgage from the Kingston National Bank on September 26, 2010 to purchase the former Clearcreek Elementary School from the Board of Education of Amanda-Clearcreek Local School District. The Village receives quarterly invoices showing the amount due. For the year ended December 31, 2017, the amount outstanding was \$11,349.

**Village of Stoutsville, Ohio**  
*Fairfield County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 10 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**Note 11 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Street Construction Maint / Rep	Permissive MVL	Police	Special Revenue Paving	Total
<b>Restricted for</b>						
Road Improvements	\$0	\$108,431	\$39,102	\$0	\$25,265	\$172,798
Police Operations	0	0	0	48,886	0	48,886
<i>Total Restricted</i>	<u>0</u>	<u>108,431</u>	<u>39,102</u>	<u>48,886</u>	<u>25,265</u>	<u>221,684</u>
<b>Unassigned (Deficits)</b>	<u>25,847</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,847</u>
<i>Total Fund Balances</i>	<u>\$25,847</u>	<u>\$108,431</u>	<u>\$39,102</u>	<u>\$48,886</u>	<u>\$25,265</u>	<u>\$247,531</u>

**Note 12 – Subsequent Events**

The Village levy in excess of the 10 mill limit expired on December 31, 2018. The renewal of said levy will be presented to the electorate at the May 7, 2019 election. The tax will be effective on January 1, 2019 with collection beginning in January, 2020.

The Village streets are in need of major resurfacing but the Village only has funds for patching the areas that pose a safety threat to its citizens. The underground infrastructure is collapsing creating flooding issues. In 2017, the Village replaced several sections of the underground pipes but the entire system needs replaced. The Village has contracted with an engineering company to assess the repairs needed, develop a plan of action and assist in obtaining grants and low interest loans to replace the system. The limited available funds for “matching” is causing delays in applying for said funding. The Village will be applying for a grant from OPWC this spring and if approved, approximately 1/6th of the infrastructure repair and replacement can be done.

**THIS PAGE INTENTIONALLY LEFT BLANK.**



# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

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

Village of Stoutsville  
Fairfield County  
11080 Main Street  
Stoutsville, Ohio 43154

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund and the remaining fund information of the Village of Stoutsville, Fairfield County, (the Village) as of and for the year ended December 31, 2018, and the governmental activities and each major fund of the Village as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated July 3, 2019, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village'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, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Village's Response to Finding***

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Village's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

July 3, 2019

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 and 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2018-001**

**Financial Statement Presentation – Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

In 2018, we identified the following adjustment:

- Property Tax Revenue for the Police Fund totaling \$4,066 was adjusted from the General Fund.
- \$25,265 of the fund balance of the non-major Capital Projects Paving Fund was reclassified from restricted fund balance to committed fund balance, and \$25,265 of restricted net position was reclassified to unrestricted net position.

These adjustments are reflected in the financial statements and in the Village's ledgers.

In 2017, we identified the following adjustments:

- Original and Final Budgeted Intergovernmental Receipts in the Street Construction, Maintenance and Repair Fund were understated \$2,000.
- Original and Final Budgeted Earnings on Investment receipts in the Street Construction, Maintenance and Repair Fund were understated \$110.
- Original Budgeted Transportation Disbursements in the Street Construction, Maintenance and Repair Fund were overstated \$1,700.
- \$25,265 of the fund balance of the major Capital Projects Paving Fund was reclassified from restricted fund balance to committed fund balance, and \$25,265 of restricted net position was reclassified to unrestricted net position.

These adjustments were applied to the audited budgetary and financial statements.

We noted other immaterial misstatements in the original and final budgets in the budgetary statements ranging from \$84 to \$479, and a reclassification between two revenue line items in the amount of \$148 that we reported to management as unadjusted items. We also noted a reclassification between revenue line items on the financial statements totaling \$95.

Although the Village has various controls in place over financial reporting, the need to propose audit adjustments suggest controls may not be effective or operating as management intended.

The Fiscal Officer and the Village Council should review draft financial statements for misstatements so that any errors are detected and corrected in future reports. The Village should also reconcile budget legislation with amounts in the accounting system and with amounts filed with the Fairfield County Auditor's Office to ensure the report shows accurate budgeted receipts and disbursements.

**Officials' Response:**

Understated revenues and expenses noted are due to failure to file amended certificates and revised budget reports to the county auditor periodically during the year. A focused review of year to date receipts and expenses will be done each year at the October meeting in preparation of filing quarter and, if needed, an Amended Certificate and/or Revised Budget Resolution will be filed with the county auditor in November.

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**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  
SEPTEMBER 5, 2019**