



Dave Yost • Auditor of State



VILLAGE OF SEVILLE  
MEDINA COUNTY

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# Dave Yost • Auditor of State

Village of Seville  
Medina County  
120 Royal Crest Drive  
Seville, Ohio 44273

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Village to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

**Dave Yost**  
Auditor of State

May 18, 2012, except for Note 10 for which the date is July 26, 2012.

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Seville  
Medina County  
120 Royal Crest Drive  
Seville, Ohio 44273

To the Village Council:

We have audited the accompanying financial statements of the Village of Seville, Medina County, Ohio, (the Village) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011 and 2010, or its changes in financial position or cash flows, where applicable for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 of the Village of Seville, Medina County, Ohio, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

During 2011 and 2010 the Village adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Dave Yost**  
Auditor of State

May 18, 2012, except for Note 10 for which the date is July 26, 2012.

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Governmental Fund Types			Totals	
	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only)
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$247,014	\$13,211			\$260,225
Municipal Income Tax	971,462				971,462
Kilowatt Hour Tax	308,583				308,583
Intergovernmental	127,043	205,863		\$34,373	367,279
Special Assessments		6,500			6,500
Fines, Licenses and Permits	4,600	50			4,650
Earnings on Investments	7,636	1,587			9,223
Miscellaneous	18,055	30,505			48,560
<b>Total Cash Receipts</b>	<b>1,684,393</b>	<b>257,716</b>		<b>34,373</b>	<b>1,976,482</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property		569,315			569,315
Public Health Services	1,176				1,176
Leisure Time Activities	77,848				77,848
Community Environment	9,509	9,325			18,834
Transportation		261,523			261,523
General Government	312,000				312,000
Capital Outlay		47,885		5,222	53,107
Debt Service:					
Principal Retirement		1,952	\$49,000	28,822	79,774
Interest and Fiscal Charges			67,548		67,548
<b>Total Cash Disbursements</b>	<b>400,533</b>	<b>890,000</b>	<b>116,548</b>	<b>34,044</b>	<b>1,441,125</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>1,283,860</b>	<b>(632,284)</b>	<b>(116,548)</b>	<b>329</b>	<b>535,357</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Other Financing Sources				1,150	1,150
Transfers In		617,000	116,287	6,000	739,287
Transfers Out	(925,451)				(925,451)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(925,451)</b>	<b>617,000</b>	<b>116,287</b>	<b>7,150</b>	<b>(185,014)</b>
<b>Net Change in Fund Cash Balances</b>	<b>358,409</b>	<b>(15,284)</b>	<b>(261)</b>	<b>7,479</b>	<b>350,343</b>
<b>Fund Cash Balance, January 1</b>	<b>631,611</b>	<b>246,991</b>	<b>203,261</b>	<b>120,687</b>	<b>1,202,550</b>
<b>Fund Cash Balance, December 31</b>					
Restricted		231,707	203,000	128,166	562,873
Assigned	18,000				18,000
Unassigned	972,020				972,020
<b>Fund Cash Balance, December 31</b>	<b>\$990,020</b>	<b>\$231,707</b>	<b>\$203,000</b>	<b>\$128,166</b>	<b>\$1,552,893</b>

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

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Proprietary Fund</u>	<u>Fiduciary Fund</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>(Memorandum Only)</u>
<b>Operating Cash Receipts:</b>			
Charges for Services	\$7,631,102		\$7,631,102
<b>Operating Cash Disbursements:</b>			
Personal Services	491,138		491,138
Employee Fringe Benefits	199,514		199,514
Contractual Services	6,064,819		6,064,819
Supplies and Materials	87,444		87,444
Other	553	\$26,754	27,307
<b>Total Operating Cash Disbursements</b>	<b>6,843,468</b>	<b>26,754</b>	<b>6,870,222</b>
Operating Income/(Loss)	787,634	(26,754)	760,880
<b>Non-Operating Receipts/Disbursements</b>			
Miscellaneous Receipts		27,254	27,254
Capital Outlay	(266,743)		(266,743)
Principal Retirement	(299,504)		(299,504)
Interest and Other Fiscal Charges	(135,126)		(135,126)
<b>Total Non-Operating Receipts/Disbursements</b>	<b>(701,373)</b>	<b>27,254</b>	<b>(674,119)</b>
Income before Transfers	86,261	500	86,761
Transfers In	186,164		186,164
Net Change in Fund Cash Balances	272,425	500	272,925
Fund Cash Balance, January 1	5,467,262	124,226	5,591,488
<b>Fund Cash Balance, December 31</b>	<b>\$5,739,687</b>	<b>\$124,726</b>	<b>\$5,864,413</b>

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

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$264,976	\$14,818		\$279,794
Municipal Income Tax	935,522			935,522
Kilowatt Hour Tax	300,191			300,191
Intergovernmental	260,016	206,061		499,700
Charges for Services		500		500
Special Assessments	190			190
Fines, Licenses and Permits	7,276			7,276
Earnings on Investments	9,027	266	\$260	9,553
Miscellaneous	16,976	12,599		29,575
<b>Total Cash Receipts</b>	<b>1,794,174</b>	<b>234,244</b>	<b>260</b>	<b>2,062,301</b>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property		558,536		558,536
Public Health Services	1,176			1,176
Leisure Time Activities	73,836	6,634		80,470
Community Environment	9,776	7,041		16,817
Transportation		273,005		273,005
General Government	342,481			342,481
Capital Outlay		10,195		30,632
Debt Service:				
Principal Retirement		1,301	49,000	69,708
Interest and Fiscal Charges			69,765	70,538
<b>Total Cash Disbursements</b>	<b>427,269</b>	<b>856,712</b>	<b>118,765</b>	<b>1,443,363</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>1,366,905</b>	<b>(622,468)</b>	<b>(118,505)</b>	<b>(6,994)</b>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers In		1,459,845	118,766	1,589,862
Transfers Out	(1,771,724)			(1,771,724)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(1,771,724)</b>	<b>1,459,845</b>	<b>118,766</b>	<b>(181,862)</b>
<b>Net Change in Fund Cash Balances</b>	<b>(404,819)</b>	<b>837,377</b>	<b>261</b>	<b>437,076</b>
<b>Fund Cash Balance, January 1</b>	<b>1,036,430</b>	<b>(590,386)</b>	<b>203,000</b>	<b>765,474</b>
<b>Fund Cash Balance, December 31</b>				
Restricted		246,991	203,261	570,939
Unassigned	631,611			631,611
<b>Fund Cash Balance, December 31</b>	<b>\$631,611</b>	<b>\$246,991</b>	<b>\$203,261</b>	<b>\$1,202,550</b>

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

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Proprietary Fund</u>	<u>Fiduciary Fund</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$7,944,483		\$7,944,483
Fines, Licenses and Permits		\$585	585
Total Operating Cash Receipts	<u>7,944,483</u>	<u>585</u>	<u>7,945,068</u>
<b>Operating Cash Disbursements:</b>			
Current:			
Personal Services	485,336		485,336
Employee Fringe Benefits	173,495		173,495
Contractual Services	5,671,444		5,671,444
Supplies and Materials	72,807		72,807
Other	188	23,074	23,262
Total Operating Cash Disbursements	<u>6,403,270</u>	<u>23,074</u>	<u>6,426,344</u>
Operating Income/(Loss)	<u>1,541,213</u>	<u>(22,489)</u>	<u>1,518,724</u>
<b>Non-Operating Receipts/Disbursements</b>			
Miscellaneous Receipts	7	23,200	23,207
Capital Outlay	(548,055)		(548,055)
Redemption of Principal	(274,467)		(274,467)
Interest and Other Fiscal Charges	(155,520)		(155,520)
Total Non-Operating Receipts/Disbursements	<u>(978,035)</u>	<u>23,200</u>	<u>(954,835)</u>
Income Before Interfund Transfers	563,178	711	563,889
Transfers-In	181,862		181,862
Fund Cash Balance, January 1	<u>4,722,222</u>	<u>123,515</u>	<u>4,845,737</u>
<b>Fund Cash Balance, December 31</b>	<u><u>\$5,467,262</u></u>	<u><u>\$124,226</u></u>	<u><u>\$5,591,488</u></u>

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

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Seville, Medina County, Ohio, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water, sewer, and electric utilities, park operations, road and bridge maintenance, and police services. The Village contracts with Guilford Township to receive fire protection services.

The Village participates in two jointly governed organizations. Note 9 to the financial statements provide additional information for these entities. These organizations are OMEGA JV5 and OMEGA JV2.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposits and Investments**

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

The Village values its investments in repurchase agreements and governmental bonds at cost.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (continued)**

**2. Special Revenue Funds**

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

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

Police Levy Fund – This fund receives property taxes for police department operations and training.

**3. Debt Service Funds**

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Fund:

General Obligation Bond Retirement Fund – This fund receives transfers for payment of principal and interest on outstanding bonds.

**4. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Streets Capital Projects Fund - The Street Capital Improvements Fund is used to account for major permanent street repairs and major purchases of street equipment.

**5. Enterprise Funds**

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

Electric Fund – The Electric Fund is to account for revenues generated from charges for electric services provided to residential and commercial users of the Village.

Sewer Fund – The Sewer Fund is used to account for the operations of the sewage collection and treatment operations.

Water Fund – The Water Fund is used to account for the operation of the water treatment plant and distribution of the water to the residents and commercial users of the Village.

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (continued)**

**6. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village does not have any trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for mayor's court fines and fees, and utility deposits.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

**F. Fund Balance**

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

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

VILLAGE OF SEVILLE  
MEDINA COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)

1. **Summary of Significant Accounting Policies (continued)**

2. **Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. **Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. **Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. **Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

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

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**2. Equity in Pooled Deposits and Investments**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2011	2010
Demand deposits	\$2,754,215	\$2,770,730
Investments:		
Summit County Port Authority Bonds	203,000	203,000
Repurchase agreement	4,460,091	3,820,308
Total investments	4,663,091	4,023,308
Total deposits and investments	\$7,417,306	\$6,794,038

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**Investments:** The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name. A financial institution's trust department holds the Village's investment in the Summit County, Ohio - Port Authority Bonds in book entry form in the Village's name.

**3. Budgetary Activity**

Budgetary activity for the years ended December 31, 2011 and 2010 as follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,465,216	\$1,684,393	\$219,177
Special Revenue	933,729	874,716	(59,013)
Debt Service	120,000	116,287	(3,713)
Capital Projects	36,100	41,523	5,423
Enterprise	8,066,475	7,817,266	(249,209)
Total	\$10,621,520	\$10,534,185	(\$87,335)

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**3. Budgetary Activity (Continued)**

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,660,327	\$1,343,984	\$316,343
Special Revenue	1,133,900	890,000	243,900
Debt Service	120,000	116,548	3,452
Capital Projects	114,500	34,044	80,456
Enterprise	9,132,511	7,556,535	1,575,976
Total	<u>\$12,161,238</u>	<u>\$9,941,111</u>	<u>\$2,220,127</u>

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,467,732	\$1,794,174	\$326,442
Special Revenue	891,675	1,694,089	802,414
Debt Service	120,000	119,026	(974)
Capital Projects	30,300	44,874	14,574
Enterprise	7,540,854	8,126,352	585,498
Total	<u>\$10,050,561</u>	<u>\$11,778,515</u>	<u>\$1,727,954</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,354,669	\$2,198,993	\$155,676
Special Revenue	1,025,839	856,712	169,127
Debt Service	120,000	118,765	1,235
Capital Projects	132,330	40,617	91,713
Enterprise	8,478,471	7,471,864	1,006,607
Total	<u>\$12,111,309</u>	<u>\$10,686,951</u>	<u>\$1,424,358</u>

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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

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

**5. Local Income Tax**

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. Debt**

Debt outstanding at December 31, 2011 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan #C13J	\$20,816	0.00%
OWDA - Water (1879)	383,612	7.66%
OPWC - Waste Water Treatment CI48B	98,126	0.00%
OPWC - Water Plant Upgrade CI18H	309,153	0.00%
Development Revenue Bonds	<u>1,644,434</u>	5.10%
Total	<u><u>\$2,456,141</u></u>	

At December 31, 2009, the Village had a \$20,124 outstanding Park Acreage Loan. This loan used to purchase park land had an original balance of \$56,000 with a 3.96 percent interest rate and was repaid in full in 2010.

At December 31, 2009, the Village had a \$29,890 Ohio Water Development Authority (OWDA) Loan (loan #1878) related to a \$654,822 sewer facility construction project. This loan used for a sewer facility project had an original balance of \$654,822 with a 7.51 percent interest rate and was repaid in full in 2010.

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**6. Debt (continued)**

The Ohio Public Works Commission (OPWC) Loan #C143J relates to a \$26,021 general street reconstruction project. The loan payments have been made in semi-annual installments since July 1, 2008. The semi-annual payments total \$650 and will be fully retired on January 1, 2028.

The Ohio Water Development Authority (OWDA) Loan #1879 relates to a \$1,626,140 water facility construction project. The loan payments have been made in semi-annual installments since July 1, 1990. The semi-annual payments including interest total \$73,967 and will be fully retired on January 1, 2015. The loan will be paid from the Water Operating Fund.

The Ohio Public Works Commission (OPWC) Waste Water Treatment Loan relates to a waste water treatment plan reconstruction project. The loan payments have been made in annual installments that total \$11,544. The loan will be fully retired in 2019 and will be paid from the Sewer Operating Fund.

The Ohio Public Works Commission (OPWC) Water Plan Upgrade Loan relates to a \$386,442 water treatment plant upgrade project. The loan payments have been made in semi-annual installments since January 1, 2008. The semi-annual payments total \$9,662 and will be fully retired on July 1, 2027. The loan will be paid from the Water Operating Fund.

The Development Revenue Bonds relate to a series of bonds issued by the Summit County Port Authority in the amount of \$2,030,000 in which the Village used to pay for Town Hall renovations and upgrading a water filtration plant. The bond payments have been made in annual installments since May 15, 2006. The annual payments including interest range approximately from \$155,000 to \$165,000 and will be fully retired on May 15, 2025. The bonds will be paid from the General Obligation Bond Retirement Fund and the Water Operating Fund.

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

Year ending December 31:	OPWC Loans	OWDA Loan	Development Revenue Bonds
2012	\$32,167	\$147,935	\$158,768
2013	32,167	147,935	159,815
2014	32,167	147,935	155,735
2015	32,167	73,967	161,527
2016	32,168		156,938
2017-2021	143,520		807,040
2022-2026	103,116		782,848
2027	20,624		
Total	<u>\$428,096</u>	<u>\$517,772</u>	<u>\$2,382,671</u>

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**6. Debt (continued)**

AMP Loan Agreement

During January 2006, the Village entered into a loan agreement with AMP for \$1,300,000 in order to finance the cost of making improvements to its electric system, including the construction and installation of a new substation. Principal and interest payments will be retired from net revenues of its electric system, together with interest thereon equal to the rate of interest on the AMP-Ohio Member Electric System Improvement Bond Anticipation Notes ("Notes"), or ("Bonds") in anticipation of which Bonds the Notes are issued. Interest is due and payable at maturity on the Notes any refunding notes. The final maturity date of any notes, refunding notes, or Bonds shall not be later than December 31, 2026.

This note will be retired with pledged revenues of the Electric Fund. The Village's note activity, including amount outstanding and interest rate at December 31, 2011, follows:

	<u>Principal</u>	<u>Interest</u>
Bond Anticipation Notes	699,000	1.625%

**7. Retirement Systems**

The Village's Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OP&F participants contributed 10 percent of their wages. For 2011 and 2010, the Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. For 2011 and 2010, OPERS members contributed 10 percent of their gross salaries and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

**8. Risk Management**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**9. Joint Ventures**

**OMEGA JV5**

The Village of Seville is a Financing Participant with an ownership percentage of .82 %, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**9. Joint Ventures (continued)**

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2011 Seville has met their debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024.

The Village's net investment to date in OMEGA JV5 was \$87,093 at December 31, 2011. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**9. Joint Ventures (Continued)**

**OMEGA JV2**

The Village of Seville is a Non-Financing Participant and an Owner Participant with an ownership percentage of .79% and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the JV2 Agreement.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2011, the outstanding debt was \$23,633,931. The Village's net investment in OMEGA JV2 was \$232,142 at December 31, 2011. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**9. Joint Ventures (Continued)**

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2011 are:

<u>Municipality</u>	<u>Percent Ownership</u>	<u>KW Entitlement</u>	<u>Municipality</u>	<u>Percent Ownership</u>	<u>KW Entitlement</u>
Hamilton	23.87	32,000	Grafton	0.79	1,056
Bowling Green	14.32	19,198	Brewster	0.75	1,000
Niles	11.49	15,400	Monroeville	0.57	764
Cuyahoga Falls	7.46	10,000	Milan	0.55	737
Wadsworth	5.81	7,784	Oak Harbor	0.55	737
Painesville	5.22	7,000	Elmore	0.27	364
Dover	5.22	7,000	Jackson Center	0.22	300
Galion	4.29	5,573	Napoleon	0.20	264
Amherst	3.73	5,000	Lodi	0.16	218
St. Mary's	2.98	4,000	Genoa	0.15	199
Montpelier	2.98	4,000	Pemberville	0.15	197
Shelby	1.89	2,536	Lucas	0.12	161
Versailles	1.24	1,660	South Vienna	0.09	123
Edgerton	1.09	1,460	Bradner	0.09	119
Yellow Springs	1.05	1,408	Woodville	0.06	81
Oberlin	0.91	1,217	Haskins	0.05	73
Pioneer	0.86	1,158	Arcanum	0.03	44
Seville	<u>0.79</u>	<u>1,066</u>	Custar	<u>0.00</u>	<u>4</u>
	<u>95.20</u>	<u>127,640</u>		<u>4.80</u>	<u>6,441</u>
Grand Total				<u>100.00</u>	<u>134,081</u>

**10. American Municipal Power Generating Station Project**

The Village is a member of American Municipal Power (AMP) and was a participant in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The Village's share was 3,848 kilowatts of a total 771,281 kilowatts, giving the Village a 0.50 percent share. This plant was estimated to be a \$3 billion project, but the project's targeted capital costs increased by 37 percent and the engineer, procure and construct (EPC) contractor could not guarantee the costs would not continue to escalate. In November 2009, the participants voted to terminate the AMPGS Project. The AMPGS Project participants signed "take or pay" contracts with AMP. As such, the participants of the project are obligated to pay any costs incurred for the project. In November 2011, the Village was notified by AMP their estimated share of the stranded costs was \$629,361. The Village intends to pay any potential future costs by paying monthly amounts to AMP. At this time it is unknown if these costs, if any, will be passed on to the consumer by raising rates.

The Village also received notification from AMP of a credit related to their participation in the AMP Freemont Energy Center (AFEC) Project. The Village's share is 1,410 kilowatts of a total 512,000 kilowatts which calculates to a total credit of \$147,622 in the AFEC Project, for which the Village Solicitor has approved the binding contract. Therefore in management's opinion and based on amp's experts, a remaining potential liability of \$481,739 exists. On December 13, 2011, the Village received a correspondence from AMP as to which option they elect to pay AMPGS sunk costs. The Village selected Option E – "Continue to carry sunk costs on AMP line of credit until final AMPGS litigation is settled." This litigation is related to AMP suing the EPC to recover the AMPGS stranded costs. If AMP is successful in their lawsuit, the amount collected may be passed on to members to reduce or eliminate stranded costs owed. Therefore, for these reasons and since the Village follows the accounting basis the Auditor of State prescribes or permits, a potential liability has not been shown in the accompanying financial statements.



# Dave Yost • Auditor of State

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

Village of Seville  
Medina County  
120 Royal Crest Drive  
Seville, Ohio 44273

To the Village Council:

We have audited the financial statements of the Village of Seville, Medina County, Ohio, (the Village) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated May 18, 2012, except for Note 10 for which the date is July 26, 2012, wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits, and adopted Governmental Accounting Standards Board Statement 54. We also noted Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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 more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2011-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 18, 2012.

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

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

May 18, 2012

VILLAGE OF SEVILLE  
MEDINA COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010

FINDING NUMBER 2011-001

**Noncompliance Finding:**

**Certification of Expenditures – Ohio Rev. Code Section 5705.41(D)**

**Ohio Rev. Code Section 5705.41(D)** provides no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision stating the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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

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

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

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

Twenty-nine percent of expenditures tested were not certified prior to incurring the obligation. It was also found none of the exceptions above were utilized for the items found to be in non-compliance. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balance.

**FINDING NUMBER 2011-001 (Continued)**

Unless the exceptions noted above are used, prior certification is not only required by statute, but is a key control in the disbursement process to assure purchase commitments received prior approval. To improve control over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to the obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

We recommend the Village certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Village should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**Officials' Response:** The Village of Seville acknowledges the auditor's findings and will implement procedures to insure future compliance with the requirements.

**VILLAGE OF SEVILLE  
MEDINA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	Transaction Posting – The Village had various receipts and disbursements not posted the correct fund or account.	No	Repeated similar comment in the management letter.
2009-002	Cash Reconciliation – The Village had various unidentified reconciling items on their monthly bank reconciliations.	Fully Corrected	Finding No Longer Valid.
2009-003	<b>Ohio Rev. Code Section 135.21</b> – Investment income was improperly allocated among various funds	Fully Corrected	Finding No Longer Valid.
2009-004	<b>Ohio Rev. Code Section 5705.36(A)(4)</b> - The Village had appropriations exceeding actual resources.	Fully Corrected	Finding No Longer Valid
2009-005	<b>Ohio Rev. Code Section 5705.39</b> – The Village had appropriations exceeding estimated resources.	No	Repeated similar comment in the management letter.
2009-006	<b>Ohio Rev. Code Section 5705.10</b> – Negative fund balances existed in various funds.	Fully Corrected	Finding No Longer Valid.
2009-007	<b>Ohio Rev. Code Section 5705.14, 5705.15, and 5705.16</b> – Various interfund transfers made by the Village were not authorized by Council.	Fully Corrected	Finding No Longer Valid.
2009-008	<b>Ohio Rev. Code Section 5705.41(D)</b> – 19% and 32% of expenditures for 2009 and 2008, respectively were not properly certified.	No	Not Corrected. See Finding Number 2011-001.
2009-009	<b>Ohio Rev. Code Section 5705.41(B)</b> – Expenditures plus encumbrances exceeded appropriations in the General Obligation Bond Fund.	Fully Corrected	Finding No Longer Valid

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# Dave Yost • Auditor of State

VILLAGE OF SEVILLE

MEDINA 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  
AUGUST 14, 2012