

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

*Financial Statements  
(Audited)*

For The Years Ended  
December 31, 2012 and 2011

**BARBARA GOODMAN, FISCAL OFFICER**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Village of Stoutsville, Fairfield County, prepared by Julian & Grube, Inc., for the audit period January 1, 2011 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

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

Dave Yost  
Auditor of State

June 13, 2013

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**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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**Independent Auditor's Report**

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

***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Village of Stoutsville, Fairfield County, Ohio, as of and for the years ended December 31, 2012 and 2011.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fair presenting financial statements 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 of Stoutsville'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 of Stoutsville's internal control. Accordingly, we express no 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 opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Village of Stoutsville prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Stoutsville as of December 31, 2012 and 2011, or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Stoutsville, Fairfield County, Ohio, as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 2.

***Emphasis of Matter***

As discussed in Note 10 to the financial statements, during 2011, the Village of Stoutsville adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". Our opinion is not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2013, on our consideration of the Village of Stoutsville'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 of Stoutsville's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
May 20, 2013

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS) - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash receipts:				
Property and local taxes	\$ 27,892	\$ 10,533	\$ -	\$ 38,425
Intergovernmental	12,600	28,240	-	40,840
Licenses, permits and fees	3,209	-	-	3,209
Interest	344	365	-	709
Total cash receipts	<u>44,045</u>	<u>39,138</u>	<u>-</u>	<u>83,183</u>
Cash disbursements:				
Current:				
Security of persons and property	3,784	3,390	-	7,174
Public health services	1,822	-	-	1,822
Leisure time activities	9,593	-	-	9,593
Transportation	-	27,281	-	27,281
General government	28,391	147	-	28,538
Capital outlay	-	-	24,735	24,735
Debt service:				
Principal retirement	3,174	-	-	3,174
Interest and fiscal charges	1,212	-	-	1,212
Total cash disbursements	<u>47,976</u>	<u>30,818</u>	<u>24,735</u>	<u>103,529</u>
Net change in fund cash balances	<u>(3,931)</u>	<u>8,320</u>	<u>(24,735)</u>	<u>(20,346)</u>
Fund cash balances, January 1, 2012	<u>45,413</u>	<u>151,324</u>	<u>50,000</u>	<u>246,737</u>
Restricted	-	159,644	-	159,644
Committed	-	-	25,265	25,265
Assigned	24,461	-	-	24,461
Unassigned	17,021	-	-	17,021
Fund cash balances, December 31, 2012	<u>\$ 41,482</u>	<u>\$ 159,644</u>	<u>\$ 25,265</u>	<u>\$ 226,391</u>

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



**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

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

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash receipts:				
Property and local taxes	\$ 27,309	\$ 10,278	\$ -	\$ 37,587
Intergovernmental	16,111	28,100	-	44,211
Licenses, permits and fees	3,138	-	-	3,138
Interest	460	488	-	948
Miscellaneous	4,116	-	-	4,116
Total cash receipts	<u>51,134</u>	<u>38,866</u>	<u>-</u>	<u>90,000</u>
Cash disbursements:				
Current:				
Security of persons and property	3,272	3,803	-	7,075
Public health services	1,870	-	-	1,870
Leisure time activities	12,824	-	-	12,824
Transportation	-	13,985	-	13,985
General government	38,693	142	-	38,835
Debt service:				
Principal retirement	3,013	-	-	3,013
Interest and fiscal charges	1,373	-	-	1,373
Total cash disbursements	<u>61,045</u>	<u>17,930</u>	<u>-</u>	<u>78,975</u>
Net change in fund cash balances	<u>(9,911)</u>	<u>20,936</u>	<u>-</u>	<u>11,025</u>
Fund cash balances, January 1, 2011	<u>55,324</u>	<u>130,388</u>	<u>50,000</u>	<u>235,712</u>
Restricted	-	151,324	-	151,324
Committed	-	-	50,000	50,000
Assigned	25,065	-	-	25,065
Unassigned	20,348	-	-	20,348
Fund cash balances, December 31, 2011	<u>\$ 45,413</u>	<u>\$ 151,324</u>	<u>\$ 50,000</u>	<u>\$ 246,737</u>

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

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The Village of Stoutsville, Fairfield County, Ohio, (the "Village") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village contracts with the Fairfield County Sheriff's department to provide security of persons and property. Clearcreek Township provides fire protection services for the Village.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. BASIS OF ACCOUNTING**

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.

**B. CASH AND CASH EQUIVALENTS**

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.

**C. 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:

Governmental Fund Types

General Fund

The General fund accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than from debt service or capital projects. The Village had the following significant Special Revenue Funds:

*Street Construction, Maintenance & Repair Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets (2012 and 2011).

*Police Levy Fund* - This fund receives real estate tax monies for Village police protection (2011).

Capital Projects Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following Capital Projects fund:

*Capital Projects Paving Fund* - This fund received transfers in a prior year from the General fund for street projects (2012).

**D. BUDGETARY PROCESS**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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

**3. Encumbrances**

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

A Summary of 2012 and 2011 budgetary activity appears in Note 3.

**E. 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.

**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 the Village Council or a Village official delegated that authority by resolution, or by State Statute.

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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

**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.

**F. PROPERTY, PLANT AND EQUIPMENT**

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

**NOTE 3 - BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 42,708	\$ 44,045	\$ 1,337
Special Revenue	36,100	39,138	3,038
Capital Projects	-	-	-
Total	\$ 78,808	\$ 83,183	\$ 4,375

2012 Budgeted vs. Actual Budgetary Basis Disbursements			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General	\$ 67,773	\$ 47,976	\$ 19,797
Special Revenue	117,700	30,818	86,882
Capital Projects	50,000	24,735	25,265
Total	\$ 235,473	\$ 103,529	\$ 131,944

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

**NOTE 3 - BUDGETARY ACTIVITY - (Continued)**

2011 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 45,505	\$ 51,134	\$ 5,629
Special Revenue	26,200	38,866	12,666
Capital Projects	-	-	-
Total	\$ 71,705	\$ 90,000	\$ 18,295

2011 Budgeted vs. Actual Budgetary Basis Disbursements			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Disbursements</u>	<u>Variance</u>
General	\$ 78,041	\$ 61,045	\$ 16,996
Special Revenue	137,500	17,930	119,570
Capital Projects	50,000	-	50,000
Total	\$ 265,541	\$ 78,975	\$ 186,566

**NOTE 4 - EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Village maintains a deposit and investments pool that 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:

	2012	2011
Deposits:		
Demand deposits	\$ 226,391	\$ 246,737

Deposits are insured by the Federal Depository Insurance Corporation.

**NOTE 5 - DEBT OBLIGATIONS**

At December 31, 2012 and 2011, debt obligations consisted of the following issuance:

<u>Description</u>	<u>Balance at 12/31/12</u>	<u>Balance at 12/31/11</u>
2010 Kingston National Bank Loan for the purchase of real estate intended to be used for a community park. Payments are due in quarterly installments of \$1,096 through 2020 at an interest rate of 4%.	\$ 29,076	\$ 32,250
Total debt obligation at, December 31	\$ 29,076	\$ 32,250

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 5 - DEBT OBLIGATIONS - (Continued)**

Transactions for the years ended December 31, 2012 and 2011 are summarized as follows:

<u>2012</u>	<u>Balance at</u> <u>01/01/11</u>	<u>Proceeds</u>	<u>Principal</u> <u>Retirement</u>	<u>Balance at</u> <u>12/31/12</u>
2010 Kingston National Bank Loan	<u>\$ 32,250</u>	<u>\$ -</u>	<u>\$ 3,174</u>	<u>\$ 29,076</u>

  

<u>2011</u>	<u>Balance at</u> <u>01/01/10</u>	<u>Proceeds</u>	<u>Principal</u> <u>Retirement</u>	<u>Balance at</u> <u>12/31/11</u>
2010 Kingston National Bank Loan	<u>\$ 35,263</u>	<u>\$ -</u>	<u>\$ 3,013</u>	<u>\$ 32,250</u>

The principal and interest requirements to retire the debt obligation outstanding at December 31, 2012 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>2010 Kingston National Bank Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 3,271	\$ 1,115	\$ 4,386
2014	3,404	982	4,386
2015	3,542	844	4,386
2016	3,683	703	4,386
2017	3,835	551	4,386
2018 - 2020	<u>11,341</u>	<u>720</u>	<u>12,061</u>
Total	<u>\$ 29,076</u>	<u>\$ 4,915</u>	<u>\$ 33,991</u>

**NOTE 6 - 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.

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 7 - RETIREMENT SYSTEM**

Retirement Rates	Year	Member Rate	Employer Rate
PERS - Local	2011 - 2012	10%	14%

The Village's employees' belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. The Ohio Revised Code prescribes the plans' benefits which include post-retirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2012 and 2011, OPERS members contributed 10% and 10%, respectively, of their gross salaries and the Village contributed an amount equaling 14% and 14%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2012.

**NOTE 8 - RISK MANAGEMENT**

**Risk Pool Membership**

The Village belongs to the Ohio Plan Risk Management, Inc. (the "OPRM") - formerly known as the Ohio Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (the "Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

The OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except the OPRM retains 41.5% (41.5% effective November 1, 2011, 40% through October 31, 2011 and 17.5% through October 31, 2010) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. The OPRM had 782 and 761 members as of December 31, 2011 and 2010, respectively.

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

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



**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 8 - RISK MANAGEMENT - (Continued)**

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2011 and 2010 (the latest information available).

	<u><b>2011</b></u>	<u><b>2010</b></u>
Assets	\$12,501,280	\$12,036,541
Liabilities	<u>(5,328,761)</u>	<u>(4,845,056)</u>
Members' Equity	<u>\$7,172,519</u>	<u>\$7,191,485</u>

You can read the complete audited financial statements for the OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**NOTE 9 - CONTINGENT LIABILITIES**

The Village is not currently involved in litigation.

**NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLE**

For fiscal year 2011, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", which are described in Note 2.E.



## Julian & Grube, Inc.

*Serving Ohio Local Governments*

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### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

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

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 financial statements of the Village of Stoutsville, Fairfield County, Ohio, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated May 20, 2013 wherein we noted the Village of Stoutsville followed accounting financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit, described in Note 2. In addition, as discussed in Note 10, in 2011, the Village of Stoutsville adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

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

As part of our financial statement audit, we considered the Village of Stoutsville's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village of Stoutsville'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 of Stoutsville'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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Members of Council and Mayor  
Village of Stoutsville

***Compliance and Other Matters***

As part of reasonably assuring whether the Village of Stoutsville's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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*.

***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 of Stoutsville's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Stoutsville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
May 20, 2013

**VILLAGE OF STOUTSVILLE  
FAIRFIELD COUNTY, OHIO  
DECEMBER 31, 2012 AND 2011**

**STATUS OF PRIOR AUDIT FINDINGS**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2010-VOS-001	Misstatements in the financial statements were found for the year under audit that were not initially identified by the Village's internal control.	Yes	N/A
2010-VOS-002	Ohio Revised Code Section 5705.36 requires fiscal officers to certify to the County Auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.	Yes	N/A
2010-VOS-003	Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend monies unless it has been appropriated.	Yes	N/A
2010-VOS-004	Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations.	Yes	N/A
2010-VOS-005	Ohio Revised Code Section 5705.36(A)(4) states that upon a determination by the Fiscal Officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate.	Yes	N/A



# Dave Yost • Auditor of State

**VILLAGE OF STOUTSVILLE**

**FAIRFIELD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 25, 2013**