

**VILLAGE OF FORT RECOVERY**

MERCER COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
UNDER THE FEDERAL WATER AND WASTE DISPOSAL SYSTEM PROGRAM**

FOR THE YEAR ENDED DECEMBER 31, 2010





# Dave Yost • Auditor of State

Village Council  
Village of Fort Recovery  
P. O. Box 340  
301 South Main Street  
Fort Recovery, Ohio 45846-0340

We have reviewed the *Independent Auditors' Report on Compliance with Requirements Applicable to the Federal Program and on Internal Control over Compliance in Accordance with the Program Specific Audit Option Under OMB Circular A-133 and the Independent Auditors' Report on the Schedule of Federal Awards Expenditures* of the Village of Fort Recovery, Mercer County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not perform the program audit accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

October 28, 2011

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**VILLAGE OF FORT RECOVERY  
MERCER COUNTY**

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**Manning & Associates**  
**Certified Public Accountants, LLC**

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

**INDEPENDENT AUDITORS' REPORT**

Village of Fort Recovery  
Mercer County  
201 South Main Street, PO Box 340  
Fort Recovery, Ohio 45846-0340

We have audited the accompanying schedule of expenditures of federal awards for the Water and Waste Disposal System program of the Village of Fort Recovery, Mercer County, Ohio, (the Village), for the year ended December 31, 2010. This schedule is the responsibility of the Village of Fort Recovery's management. Our responsibility is to express an opinion on the schedule of expenditures of federal awards of the water and waste disposal program based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations*. Those standards and the OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of expenditures of federal awards of the water and waste disposal program is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note B, this schedule was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the schedule of expenditures of federal awards referred to above present fairly, in all material respects, the expenditures of federal awards under the Water and Waste Disposal System program in conformity with a basis of accounting described in Note B.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2011, 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.

**Dayton** | 6105 N. Dixie Drive | P.O. Box 13449 | Dayton, Ohio 45414  
(937) 898-3167 | Fax (937) 898-9202 | Email: [dayton@manningcpallc.com](mailto:dayton@manningcpallc.com)

**Sidney** | 500 Folkert Avenue | Sidney, Ohio 45365  
(937) 492-0386 | Fax (937) 492-3262 | Email: [sidney@manningcpallc.com](mailto:sidney@manningcpallc.com)

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Village of Fort Recovery  
Mercer County  
Independent Auditors' Report  
Page 2

This report is intended solely for the information and use of management of the Village, and Auditor of State, federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

Manning & Associates CPAs, LLC  
Dayton, Ohio

September 22, 2011



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**VILLAGE OF FORT RECOVERY  
MERCER COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
UNDER THE FEDERAL WATER AND WASTE DISPOSAL PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2010

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<b>Federal Grantor</b>	Federal	
Pass Through Grantor/ Program Title	CFDA Number	<u>Expenditures</u>
<b>U.S. DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT</b>		
Direct Program		
Water and Waste Disposal Systems	10.760	\$ <u>1,304,713</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS UNDER THIS PROGRAM</b>		<b>\$ <u><u>1,304,713</u></u></b>

**VILLAGE OF FORT RECOVERY  
MERCER COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
UNDER THE FEDERAL WATER AND WASTE DISPOSAL SYSTEM PROGRAM**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

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**A. BASIS OF PRESENTATION**

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Village of Fort Recovery under the water and waste disposal system program of the federal government for the year ended December 31, 2010. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of Village of Fort Recovery, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Village of Fort Recovery.

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting and, accordingly, represent the total cash expended for the program. The Schedule does not include transactions that might be included using the accrual basis of accounting as contemplated by generally accepted accounting principles.

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**Manning & Associates**  
**Certified Public Accountants, LLC**

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS**  
**APPLICABLE TO THE FEDERAL PROGRAM AND ON INTERNAL CONTROL**  
**OVER COMPLIANCE IN ACCORDANCE WITH THE PROGRAM-SPECIFIC**  
**AUDIT OPTION UNDER OMB CIRCULAR A-133**

Village of Fort Recovery  
Mercer County  
201 South Main Street, PO Box 340  
Fort Recovery, Ohio 45846-0340

Compliance

We have audited the compliance of the Village of Fort Recovery's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on its Water and Waste Disposal System program for the year ended December 31, 2010. Compliance with the requirements of laws, regulations, contracts, and grants applicable to Water and Waste Disposal System program is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on its Water and Waste Disposal System program occurred. An audit includes examining, on a test basis, evidence about the Village of Fort Recovery's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village's compliance with those requirements.

In our opinion, the Village of Fort Recovery complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect to its Water and Waste Disposal System program for the year ended December 31, 2010.

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Internal Control Over Compliance

The management of the Village is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Water and Waste Disposal System program. In planning and performing our audit, we considered the Village's internal control over compliance with requirements that could have a direct and material effect on its Water and Waste Disposal System program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management of the Village, and Auditor of State, federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

Manning & Associates CPAs, LLC  
Dayton, Ohio

September 22, 2011

**VILLAGE OF FORT RECOVERY  
MERCER COUNTY**

UNDER THE FEDERAL WATER AND WASTE DISPOSAL PROGRAM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

OMB Circular A-133 § .505

December 31, 2010

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**SECTION 1. SUMMARY OF AUDITORS' RESULTS**

*Financial Statement*

Type of auditor's report issued Unqualified

*Federal Awards*

Internal control over financial reporting:

Material weakness(es) identified? No

Significant Deficiency(ies) identified  
not considered to be material weaknesses? No

Type of auditor's report issued on compliance  
for major program: Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section .510(a)? No

*Identification of major programs:*

10.760 Water and Waste  
Disposal System

Dollar threshold used to distinguish  
between Type A and Type B programs: \$300,000 Type A

Auditee qualified as low-risk auditee? No

<b>SECTION 2. FINDINGS RELATED TO FEDERAL AWARDS</b>
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There are no findings or questioned costs for the year ended December 31, 2010

<b>SECTION 3. SCHEDULE OF PRIOR AUDIT FINDINGS</b>
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There are no findings or questioned costs for the year ended December 31, 2009

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# Dave Yost • Auditor of State

VILLAGE OF FORT RECOVERY

MERCER 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  
NOVEMBER 10, 2011