

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

*Financial Statements  
(Audited)*

For The Years Ended  
December 31, 2003 and 2002

**MARCIA FARQUER, FISCAL OFFICER**





**Auditor of State  
Betty Montgomery**

Members of Council  
Village of South Vienna  
149 West Main Street  
South Vienna, Ohio 45369

We have reviewed the Independent Auditor's Report of the Village of South Vienna, Clark County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2002 through December 31, 2003. 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.

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 South Vienna is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

July 13, 2004

**This Page is Intentionally Left Blank.**

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report.....	1
Combined Statement of Cash Fund Balances - All Fund Types December 31, 2003 and 2002 .....	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types For The Year Ended December 31, 2003 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - Proprietary Fund Type For The Year Ended December 31, 2003 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual For The Year Ended December 31, 2003 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types For The Year Ended December 31, 2002 .....	6
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Cash Fund Balances - Proprietary Fund Type For The Year Ended December 31, 2002 .....	7
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual For The Year Ended December 31, 2002 .....	8
Notes to the Financial Statements.....	9 - 23
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	24 - 25
Schedule of Findings.....	26 - 29
Schedule of Prior Audit Findings .....	30

**This Page is Intentionally Left Blank.**

# TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard  
Suite B  
Worthington, Ohio 43085

Telephone 614.846.1899  
Facsimile 614.846.2799

## Independent Auditor’s Report

Members of Council and Mayor  
Village of South Vienna  
149 W. Main Street  
South Vienna, Ohio 45369

We have audited the accompanying financial statements of the Village of South Vienna, Clark County, Ohio (the “Village”) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Village of South Vienna’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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the Village prepares its financial statements on the basis of accounting prescribed or permitted by Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of the Village of South Vienna, Clark County, as of December 31, 2003 and 2002, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the years ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 26, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the Village’s management and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.  
May 26, 2004

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES  
ALL FUND TYPES  
DECEMBER 31, 2003 AND 2002

	2003	2002
<u>Cash and Cash Equivalents</u>		
Cash and Cash Equivalents	\$ 995,794	\$ 922,912
Total Cash and Cash Equivalents	\$ 995,794	\$ 922,912
 <u>Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 184,116	\$ 111,334
Special Revenue Funds	39,316	23,229
Total Governmental Fund Types	223,432	134,563
 <u>Proprietary Fund Type:</u>		
Enterprise Funds	772,362	788,349
Total Fund Balances	\$ 995,794	\$ 922,912

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



**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 25,655	\$ 9,369	\$ 35,024
Intergovernmental	6,050	23,082	29,132
Fines, licenses and permits	19,463	500	19,963
Rentals	5,500	-	5,500
Reimbursements	8,652	-	8,652
Interest	<u>9,137</u>	<u>169</u>	<u>9,306</u>
Total cash receipts	<u>74,457</u>	<u>33,120</u>	<u>107,577</u>
Cash disbursements:			
Current:			
Security of persons and property	53,946	1,931	55,877
Public health services	-	4,346	4,346
Transportation	-	10,756	10,756
Basic utility services	1,948	-	1,948
General government	<u>48,499</u>	<u>-</u>	<u>48,499</u>
Total cash disbursements	<u>104,393</u>	<u>17,033</u>	<u>121,426</u>
Total cash receipts over/(under) cash disbursements	<u>(29,936)</u>	<u>16,087</u>	<u>(13,849)</u>
Other financing cash receipts:			
Transfers-in	100,000	-	100,000
Other sources	<u>2,718</u>	<u>-</u>	<u>2,718</u>
Total other financing cash receipts	<u>102,718</u>	<u>-</u>	<u>102,718</u>
Excess of cash receipts and other financing cash receipts over cash disbursements	72,782	16,087	88,869
Cash fund balances, January 1, 2003	<u>111,334</u>	<u>23,229</u>	<u>134,563</u>
Cash fund balances, December 31, 2003	<u>\$ 184,116</u>	<u>\$ 39,316</u>	<u>\$ 223,432</u>

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 492,636
Total operating cash receipts	492,636
Operating cash disbursements:	
Personal services	81,146
Contractual services	248,545
Supplies and materials	33,132
Miscellaneous	5,410
Total operating cash disbursements	368,233
Operating income	124,403
Nonoperating cash disbursements:	
Debt service:	
Principal retirement	10,515
Interest	12,071
Excise tax	17,804
Total nonoperating cash disbursements	40,390
Net of cash receipts over cash disbursements before interfund transfers	84,013
Transfers-in	28,867
Transfers-out	(128,867)
Total transfers	(100,000)
Net cash receipts (under) cash disbursements and interfund transfers	(15,987)
Cash fund balances, January 1, 2003	788,349
Cash fund balances, December 31, 2003	\$ 772,362

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

VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL -  
FOR THE YEAR ENDED DECEMBER 31, 2003

Fund Types	Receipts				Disbursements					Variance Favorable (Unfavorable)	
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2003 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2003 Appropriations	Total	Actual 2003 Disbursements		Encumbrances Outstanding at 12/31/03
Governmental:											
General	\$ 103,861	\$ 83,469	\$ 187,330	\$ 177,175	\$ 93,706	\$ 1,705	\$ 299,986	\$ 301,691	\$ 104,393	\$ 2,377	\$ 194,921
Special Revenue	19,000	33,976	52,976	33,120	(856)	33	112,125	112,158	17,033	502	94,623
Capital Projects	-	49,541	49,541	-	(49,541)	-	217,000	217,000	-	-	217,000
Proprietary:											
Enterprise	794,647	499,991	1,294,638	521,503	21,512	929	1,483,338	1,484,267	537,490	3,216	943,561
Total (Memorandum Only)	\$ 917,508	\$ 666,977	\$ 1,584,485	\$ 731,798	\$ 64,821	\$ 2,667	\$ 2,112,449	\$ 2,115,116	\$ 658,916	\$ 6,095	\$ 1,450,105

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Local taxes	\$ 22,933	\$ 11,403	\$ -	\$ 34,336
Intergovernmental	7,824	18,221	217,210	243,255
Fines, licenses and permits	21,814	254	-	22,068
Interest	18,579	1,048	-	19,627
Donations	110	-	-	110
Reimbursements	971	-	-	971
Rentals	8,135	-	-	8,135
Miscellaneous	149	-	-	149
Total cash receipts	80,515	30,926	217,210	328,651
Cash disbursements:				
Current:				
Security of persons and property	93,631	4,184	-	97,815
Public health services	-	2,906	-	2,906
Leisure time activities	1	-	-	1
Community environment	3,060	-	-	3,060
Basic utility services	708	-	-	708
Transportation	-	41,516	-	41,516
General government	54,544	-	-	54,544
Capital outlay	-	50,000	217,210	267,210
Total cash disbursements	151,944	98,606	217,210	467,760
Total cash receipts (under) cash disbursements	(71,429)	(67,680)	-	(139,109)
Other financing cash receipts:				
Transfers-in	98,000	-	-	98,000
Other sources	1,000	-	-	1,000
Total other financing cash receipts	99,000	-	-	99,000
Excess of cash receipts and other financing cash receipts over/(under) cash disbursements	27,571	(67,680)	-	(40,109)
Cash fund balances, January 1, 2002	83,763	90,909	-	174,672
Cash fund balances, December 31, 2002	\$ 111,334	\$ 23,229	\$ -	\$ 134,563

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2002

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Charges for services	\$ 491,674
Interest	187
Total operating cash receipts	491,861
Operating cash disbursements:	
Personal services	48,136
Contractual services	370,703
Supplies and materials	10,110
Capital outlay	24,718
Miscellaneous	1,768
Total operating cash disbursements	455,435
Operating income	36,426
Nonoperating cash disbursements:	
Debt service:	
Principal retirement	223,637
Interest	24,430
Excise tax	18,134
Total nonoperating cash disbursements	266,201
Net of cash receipts (under) cash disbursements before interfund transfers	(229,775)
Transfers-in	28,867
Transfers-out	(126,867)
Total transfers	(98,000)
Net cash receipts (under) cash disbursements after interfund transfers	(327,775)
Cash fund balances, January 1, 2002	1,116,124
Cash fund balances, December 31, 2002	\$ 788,349

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

VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2002

Fund Types	Receipts			Disbursements					Variance Favorable (Unfavorable)			
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2002 Receipts	Variance Favorable (Unfavorable)	Restated Prior Year Carryover Appropriations	2002 Appropriations	Total		Actual 2002 Disbursements	Encumbrances Outstanding at 12/31/02	Total
Governmental:												
General	\$ 70,741	\$ 214,964	\$ 285,705	\$ 179,515	\$ (35,449)	\$ 2,477	\$ 198,805	\$ 201,282	\$ 151,944	\$ 1,705	\$ 153,649	\$ 47,633
Special Revenue	91,985	75,788	167,773	30,926	(44,862)	50	111,165	111,215	98,606	33	98,639	12,576
Capital Projects	-	217,000	217,000	217,210	210	-	-	-	217,210	-	217,210	(217,210)
Proprietary:												
Enterprise	1,124,665	467,900	1,592,565	520,728	52,828	685	1,489,707	1,490,392	848,503	929	849,432	640,960
Total (Memorandum Only)	\$ 1,287,391	\$ 975,652	\$ 2,263,043	\$ 948,379	\$ (27,273)	\$ 3,212	\$ 1,799,677	\$ 1,802,889	\$ 1,316,263	\$ 2,667	\$ 1,318,930	\$ 483,959

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The Village of South Vienna, Clark County (the "Village"), is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Village operates under a council-mayor form of government and provides the following services: general governmental services, including water, sewer and electric utilities, and police services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials have direct operating control.

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

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

**A. BASIS OF PRESENTATION - FUND ACCOUNTING**

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village.

**GOVERNMENTAL FUNDS**

**General Fund**

The general fund is used to account for all activities of the Village not required to be included in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds**

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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

The Village had the following significant special revenue fund:

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

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise funds). The Village had no capital projects funds in 2003. The Village had the following significant capital project fund in 2002:

*Main Street Reconstruction Fund* - This fund received grants from Ohio Public Works Commission and Community Development Block Grants to help reconstruct the Village's Main Street.

Enterprise Funds

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

*Electric Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

**B. BASIS OF ACCOUNTING**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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



**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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

**C. BUDGETARY PROCESS**

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

*Tax Budget:*

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

*Estimated Resources:*

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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

*Appropriations:*

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

*Encumbrances:*

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. Prior year encumbrance carryover has been restated at December 31, 2001 to properly reflect amounts encumbered. The Village had outstanding encumbrances at December 31, 2003 and 2002.

**D. CASH AND CASH EQUIVALENTS**

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$9,306 and \$19,814 for the years ended December 31, 2003 and 2002, respectively.

**E. PROPERTY, PLANT AND EQUIPMENT**

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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

F. INTERGOVERNMENTAL REVENUES

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

G. INTERFUND TRANSACTIONS

During the course of normal operations, the Village had transactions between funds. The most significant include:

Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers.

H. UNPAID VACATION AND SICK LEAVE

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Village.

I. TOTAL COLUMNS ON FINANCIAL STATEMENTS

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 3 - COMPLIANCE**

- A. The following funds had appropriations in excess of estimated resources for the year ended December 31, 2003 in noncompliance with Ohio Revised Code Section 5705.39:

<u>Fund Type/Fund</u>	<u>Excess</u>
General Fund	\$ 112,656
<u>SPECIAL REVENUE FUND TYPE:</u>	
Street Construction, Maintenance & Repair	49,864
Drug Law Enforcement Fund	2,090
Permissive Motor Vehicle License Tax	10,608
<u>CAPITAL PROJECTS FUND TYPE:</u>	
Grant Construction	167,459
<u>ENTERPRISE FUND TYPE:</u>	
Water Operating	50,079
Sewer Operating	183,314
Enterprise Debt Service Reserve	17,728

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 3 - COMPLIANCE - (Continued)**

**B.** The following funds had expenditures in excess of appropriations for the years ended December 31, 2003 and 2002 in noncompliance with Ohio Revised Code Section 5705.41(B):

**2003**

<u>Fund Type/Fund</u>	<u>Program</u>	<u>Object</u>	<u>Excess</u>
General Fund	Police Enforcement	Workers' Compensation	\$ 2,341
General Fund	Police Enforcement	Other-Insurance	1,450
<u>ENTERPRISE FUND TYPE:</u>			
Water Operating	Administration-Water	Salary-Clerk/Treasurer	2,100
Water Operating	Administration-Water	Other-Personal Services	10,425
Water Operating	Other-Water	Public Employees Retirement System	1,620
Water Operating	Other Basic Utility Service	Other-Capital Outlay	11,157
Sewer Operating	Administration-Sewer	Salary-Clerk/Treasurer	2,100
Sewer Operating	Administration-Sewer	Other-Personal Services	7,859
Sewer Operating	Administration-Sewer	Public Employees Retirement System	1,080
Sewer Operating	Administration-Sewer	Operating Supplies and Materials	9,954
Electric Operating	Administration-Electric	Other-Personal Services	2,676
Electric Operating	Administration-Electric	Public Employees Retirement System	1,337
Electric Operating	Other General Government	Workers' Compensation	2,777
Electric Operating	Other General Government	Excise Tax	17,804

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 3 - COMPLIANCE - (Continued)**

**2002**

<u>Fund Type/Fund</u>	<u>Program</u>	<u>Object</u>	<u>Excess</u>
General Fund	Police Enforcement	Operating Supplies and Materials	\$ 2,134
General Fund	Mayor	Operating Supplies and Materials	1,000
General Fund	Other General Government	Other-Miscellaneous	12,158
<u>SPECIAL REVENUE FUND TYPE:</u>			
Street Fund	Street Maintenance and Repair	Other-Contractual Services	1,786
Permissive MVL	Street Construction	Other-Miscellaneous	18,647
COPS Fast	Police Enforcement	Other-Miscellaneous	1,339
Health Fund	County Health District	Contributions to Organizations	5,304
<u>CAPITAL PROJECTS FUND TYPE:</u>			
Grant Construction	Capital Outlay	Streets, Highways, Sidewalks and Curbs	217,210
<u>ENTERPRISE FUND TYPE:</u>			
Water Operating	Administration- Water	Salary- Clerk/Treasurer	2,150
Water Operating	Administration- Water	Other-Personal Services	3,698
Water Operating	Other Water	Other-Miscellaneous	38,733
Water Operating	Other Basic Utility Service	Telephone	1,326
Sewer Operating	Administration- Sewer	Salary-Clerk/Treasurer	2,150
Sewer Operating	Administration- Sewer	Other-Contractual Services	3,787
Sewer Operating	Administration- Sewer	Operating Supplies and Materials	6,087
Sewer Operating	Capital Outlay	Machinery, Equipment and Furniture	24,718
Sewer Operating	Operating Transfers Out	Operating Transfer Out	520
Electric Operating	Administration- Electric	Other-Miscellaneous	4,620
Electric Operating	Operating Transfers Out	Operating Transfer Out	100,000
Electric Operating	Other General Government	Excise Tax	18,134
Enterprise Debt Service	Debt Service	Interest	15,981

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

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

	2003	2002
Deposits: Demand deposits	\$ 154,126	\$ 90,371
Deposits: Certificates of deposit	51,126	50,694
Investments in STAR Ohio	790,542	781,847
Total cash and cash equivalents	\$ 995,794	\$ 922,912

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

*Investments:* Investments in STAR Ohio are not endorsed by securities that exist in physical or book-entry form. Investments in STAR Ohio are valued at amounts reported by the State Treasurer.

**NOTE 5 - PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County annually. However, if the property owner elects, they may make semiannual payments.

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 SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 6 - DEBT OBLIGATIONS**

At December 31, 2003, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at December 31, 2003</u>
1993 Sanitary Sewer System Mortgage Revenue Bonds for construction of sewer system, due in annual installments of varying amounts through 2022 bearing interest at 5.625.	\$ 160,578
OMEGA JV-5 Financing Agreement share of participant debt.	148,472
OMEGA JV2 Financing Agreement share of participant debt.	<u>55,141</u>
Total debt obligations at December 31, 2003	<u>\$ 364,191</u>

Transactions for the year ended December 31, 2003 are summarized as follows:

<u>Description</u>	<u>Balance at December 31, 2002</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2003</u>
1993 Mortgage Revenue Bonds	\$ 165,378	\$ -	\$ (4,800)	\$ 160,578
OMEGA JV-5	152,262	-	(3,790)	148,472
OMEGA JV2	<u>57,066</u>	<u>-</u>	<u>(1,925)</u>	<u>55,141</u>
Totals	<u>\$ 374,706</u>	<u>\$ -</u>	<u>\$ (10,515)</u>	<u>\$ 364,191</u>

Transactions for the year ended December 31, 2002 are summarized as follows:

<u>Description</u>	<u>Balance at December 31, 2001</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at December 31, 2002</u>
1993 Mortgage Revenue Bonds	\$ 383,645	\$ -	\$ (218,267)	\$ 165,378
OMEGA JV-5	155,870	-	(3,608)	152,262
OMEGA JV2	<u>-</u>	<u>58,828</u>	<u>(1,762)</u>	<u>57,066</u>
Totals	<u>\$ 539,515</u>	<u>\$ 58,828</u>	<u>\$ (223,637)</u>	<u>\$ 374,706</u>



**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 6 - DEBT OBLIGATIONS - (Continued)**

The proceeds related to OMEGA JV2 (see Note 7) are not recorded on the Village's financial statements.

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2003, are as follows:

Year Ending December 31	Mortgage Revenue Bonds		OMEGA JV-5		OMEGA JV2		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 5,100	\$ 9,033	\$ 3,982	\$ 8,025	\$ 2,007	\$ 2,681	\$ 11,089	\$ 19,739
2005	5,400	8,746	4,180	7,822	2,089	2,596	11,669	19,164
2006	5,700	8,442	4,400	7,602	2,177	2,507	12,277	18,551
2007	6,000	8,121	4,637	7,366	2,271	2,415	12,908	17,902
2008	6,300	7,784	4,890	7,115	2,364	2,324	13,554	17,223
2009 - 2013	37,300	33,181	28,711	31,306	13,729	9,702	79,740	74,189
2014 - 2018	49,100	21,425	37,473	22,548	17,680	5,744	104,253	49,717
2019 - 2023	45,678	6,239	48,813	11,207	12,824	1,236	107,315	18,682
2024	-	-	11,386	612	-	-	11,386	612
Total	<u>\$ 160,578</u>	<u>\$ 102,971</u>	<u>\$ 148,472</u>	<u>\$ 103,603</u>	<u>\$ 55,141</u>	<u>\$ 29,205</u>	<u>\$ 364,191</u>	<u>\$ 235,779</u>

**NOTE 7 - JOINT VENTURES WITH EQUITY INTEREST**

During the years ended December 31, 2003 and 2002, the Village was a part of the following Joint Ventures:

*Ohio Municipal Electric Generation Agency Joint Venture-5 (OMEGA JV-5)* - A group of forty-two municipalities have entered into a joint venture for constructing, installing, and operating a 42 megawatts (MW) hydroelectric generator and related facilities at the Belleville locks and dam on the Ohio River. The Village has a .11 percent participant ownership interest in OMEGA JV-5. For the year ended December 31, 2003, (the most current available financial information), the Village's equity in the joint venture was \$7,919. Bonds issued by the joint venture are retired through the municipalities' payments for the monthly energy usage. The participants are obligated by the agreement to remit on a monthly basis those costs incurred from using electricity generated by the joint venture and a portion of the \$153,415,000 Certificates of Beneficial Interest debt that was issued to construct the fixed asset. Complete separate financial statements may be obtained from OMEGA JV-5, c/o Robert Trippe, Vice President and CEO, AMP-Ohio, 2600 Airport Drive, Columbus, Ohio, 43219.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 7 - JOINT VENTURES WITH EQUITY INTEREST - (Continued)**

*Ohio Municipal Electric Generation Agency Joint Venture 2 (OMEGA JV2)* - The Village is a Financing Participant and an Owner Participant with percentages of liabilities and ownership of .12% and .09% respectively 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-Ohio 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 or distributed generation of which 134.081 MW is the participants entitlement and 4.569 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-Ohio, which acts as the joint venture's agent. During 2001, AMP-Ohio 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. The Village's obligation for these bonds at December 31, 2003 was \$55,141 (including amounts withheld for Debt Service Reserve, amount held in the Bond Fund, previous billings to members, interest payable and debt service paid and collected). The Village's net investment in OMEGA JV2 was \$44,406 at December 31, 2003. Complete financial statements for OMEGA JV2 may be obtained from AMP-Ohio or from the Village's Fiscal Officer.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 7 - JOINT VENTURES WITH EQUITY INTEREST - (Continued)**

<u>Municipality</u>	Percent <u>Ownership</u>	Kw <u>Entitlement</u>	<u>Municipality</u>	Percent <u>Ownership</u>	Kw <u>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%	5,753	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>
Total	<u>95.20%</u>	<u>127,640</u>	Total	<u>4.80%</u>	<u>6,441</u>
			Grand Total	<u>100.00%</u>	<u>134,081</u>

**NOTE 8 - RETIREMENT SYSTEM**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. The plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, OPERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. As of December 31, 2003, the Village's unpaid portion for OPERS was \$1,234.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**NOTE 9 - RISK MANAGEMENT**

In 2003 and 2002, the Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- General liability and casualty
- Public official's liability

**NOTE 10 - INTERFUND TRANSACTIONS**

The Village had the following interfund transactions for the year ended December 31, 2003:

<u>Fund Type/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 100,000	\$ -
<u>Enterprise Funds</u>		
Debt Service	26,240	-
Debt Service Reserve	2,627	-
Sewer Fund	-	28,867
Electric Fund	-	100,000
Total Enterprise Funds	<u>28,867</u>	<u>128,867</u>
Total	<u>\$ 128,867</u>	<u>\$ 128,867</u>

The Village had the following interfund transactions for the year ended December 31, 2002:

<u>Fund Type/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 98,000	\$ -
<u>Enterprise Funds</u>		
Debt Service	26,240	-
Debt Service Reserve	2,627	-
Sewer Fund	-	28,867
Electric Fund	-	98,000
Total Enterprise Funds	<u>28,867</u>	<u>126,867</u>
Total	<u>\$ 126,867</u>	<u>\$ 126,867</u>

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

**NOTE 10 - INTERFUND TRANSACTIONS - (Continued)**

All transfers were made in accordance with Section 5705.14, 5705.15 and 5705.16 of the Ohio Revised Code.

**NOTE 11 - CONTINGENT LIABILITY**

Litigation

The Village is currently not involved in litigation.

# TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard  
Suite B  
Worthington, Ohio 43085

Telephone 614.846.1899  
Facsimile 614.846.2799

## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Members of Council and Mayor  
Village of South Vienna  
149 West Main Street  
South Vienna, Ohio 45369

We have audited the financial statements of the Village of South Vienna (the “Village”), Clark County, Ohio as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated May 26, 2004. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Village’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-VOSV-001 and 2003-VOSV-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 26, 2004.

Members of Council and Mayor  
Village of South Vienna

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the Village in a separate letter dated May 26, 2004.

This report is intended for the information of the Members of Council and management of the Village of South Vienna, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.  
May 26, 2004

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number	2003-VOSV-001
----------------	---------------

Ohio Revised Code Section 5705.39 requires that no fund should have appropriations in excess of estimated resources.

It was noted during the audit that the Village had appropriations in excess of estimated resources in the following funds for the year ending December 31, 2003:

<u>Fund Type/Fund</u>	<u>Excess</u>
General Fund	\$ 112,656
<u>SPECIAL REVENUE FUND TYPE:</u>	
Street Construction, Maintenance & Repair	49,864
Drug Law Enforcement Fund	2,090
Permissive Motor Vehicle License Tax	10,608
<u>CAPITAL PROJECTS FUND TYPE:</u>	
Grant Construction	167,459
<u>ENTERPRISE FUND TYPE:</u>	
Water Operating	50,079
Sewer Operating	183,314
Enterprise Debt Service Reserve	17,728

With appropriations exceeding estimated resources, the Village is appropriating monies that are not in the Village's depository or in the process of collection that were certified to the County Auditor. This may result in a fund deficit.

We recommend that the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations versus estimated resources records and amending the budget prior to year end. If it is determined that estimated revenues will be greater than initially anticipated, the Village should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated resources.



**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)**

Finding Number	2003-VOSV-002
----------------	---------------

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

It was noted during the audit that for the years ended December 31, 2003 and 2002 the Village had expenditures exceeding appropriations in the following funds:

**2003**

<u>Fund Type/Fund</u>	<u>Program</u>	<u>Object</u>	<u>Excess</u>
General Fund	Police Enforcement	Workers' Compensation	\$ 2,341
General Fund	Police Enforcement	Other-Insurance	1,450
<u>ENTERPRISE FUND TYPE:</u>			
Water Operating	Administration-Water	Salary-Clerk/Treasurer	2,100
Water Operating	Administration-Water	Other-Personal Services	10,425
Water Operating	Other-Water	Public Employees Retirement System	1,620
Water Operating	Other Basic Utility Service	Other-Capital Outlay	11,157
Sewer Operating	Administration-Sewer	Salary-Clerk/Treasurer	2,100
Sewer Operating	Administration-Sewer	Other-Personal Services	7,859
Sewer Operating	Administration-Sewer	Public Employees Retirement System	1,080
Sewer Operating	Administration-Sewer	Operating Supplies and Materials	9,954
Electric Operating	Administration-Electric	Other-Personal Services	2,676
Electric Operating	Administration-Electric	Public Employees Retirement System	1,337
Electric Operating	Other General Government	Workers' Compensation	2,777
Electric Operating	Other General Government	Excise Tax	17,804

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)**

Finding Number	2003-VOSV-002 - (Continued)
----------------	-----------------------------

**2002**

<u>Fund Type/Fund</u>	<u>Program</u>	<u>Object</u>	<u>Excess</u>
General Fund	Police Enforcement	Operating Supplies and Materials	\$ 2,134
General Fund	Mayor	Operating Supplies and Materials	1,000
General Fund	Other General Government	Other-Miscellaneous	12,158

SPECIAL REVENUE FUND TYPE:

Street Fund	Street Maintenance and Repair	Other-Contractual Services	1,786
Permissive MVLT	Street Construction	Other-Miscellaneous	18,647
COPS Fast	Police Enforcement	Other-Miscellaneous	1,339
Health Fund	County Health District	Contributions to Organizations	5,304

CAPITAL PROJECTS FUND TYPE:

Grant Construction	Capital Outlay	Streets, Highways, Sidewalks and Curbs	217,210
--------------------	----------------	----------------------------------------	---------

ENTERPRISE FUND TYPE:

Water Operating	Administration- Water	Salary- Clerk/Treasurer	2,150
Water Operating	Administration- Water	Other-Personal Services	3,698
Water Operating	Other Water	Other-Miscellaneous	38,733
Water Operating	Other Basic Utility Service	Telephone	1,326
Sewer Operating	Administration- Sewer	Salary-Clerk/Treasurer	2,150
Sewer Operating	Administration- Sewer	Other-Contractual Services	3,787
Sewer Operating	Administration- Sewer	Operating Supplies and Materials	6,087
Sewer Operating	Capital Outlay	Machinery, Equipment and Furniture	24,718
Sewer Operating	Operating Transfers Out	Operating Transfer Out	520
Electric Operating	Administration- Electric	Other-Miscellaneous	4,620
Electric Operating	Operating Transfers Out	Operating Transfer Out	100,000
Electric Operating	Other General Government	Excise Tax	18,134
Enterprise Debt Service	Debt Service	Interest	15,981

With expenditures exceeding appropriations, the Village is expending monies that have not been appropriated and approved by Council. This may result in unnecessary purchases or overspending which may lead to a fund deficit.

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

**1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)**

Finding Number	2003-VOSV-002 - (Continued)
----------------	-----------------------------

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

**VILLAGE OF SOUTH VIENNA  
CLARK COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003 AND 2002**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected ?</u></b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i></b>
2001-VS-001	Ohio Revised Code Section 5705.39 in part requires that appropriation from each fund should not exceed estimated resources.	No	The Village Fiscal Officer is attempting to monitor more closely amended certificates and file amendments with the County Auditor.
2001-VS-002	Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.	No	The Village is attempting to monitor and amend its appropriations as necessary.



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**VILLAGE OF SOUTH VIENNA**

**CLARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 27, 2004**