



Mary Taylor, CPA
Auditor of State

VILLAGE OF ROGERS
COLUMBIANA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2007	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Fund Types - For the Year Ended December 31, 2007	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2006	7
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fiduciary Fund Types - For the Year Ended December 31, 2006	8
Notes to the Financial Statements	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Schedule of Findings.....	17
Schedule of Prior Audit Findings	19

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Mary Taylor, CPA
Auditor of State

Village of Rogers
Columbiana County
P.O. Box 227
Rogers, Ohio 44455-0227

To the Village Council:

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

Mary Taylor

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August 24, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Rogers
Columbiana County
P.O. Box 227
Rogers, Ohio 44455-0227

To the Village Council:

We have audited the accompanying financial statements of the Village of Rogers, Columbiana County, (the Village) as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Village of Rogers, Columbiana County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2009, 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.



Mary Taylor, CPA
Auditor of State

August 24, 2009

**VILLAGE OF ROGERS
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$7,393	\$4,630	\$12,023
Intergovernmental	19,681	11,083	30,764
Special Assessments		96	96
Fines, Licenses and Permits	6,833		6,833
Miscellaneous	16,758	852	17,610
Total Cash Receipts	<u>50,665</u>	<u>16,661</u>	<u>67,326</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	12,176	3,052	15,228
Leisure Time Activities		1,089	1,089
Transportation	6,838	12,810	19,648
General Government	33,225		33,225
Capital Outlay	7,732		7,732
Total Cash Disbursements	<u>59,971</u>	<u>16,951</u>	<u>76,922</u>
Total Receipts Over/(Under) Disbursements	<u>(9,306)</u>	<u>(290)</u>	<u>(9,596)</u>
Other Financing Receipts / (Disbursements):			
Other Financing Sources	1,026		1,026
Other Financing Uses		(31)	(31)
Total Other Financing Receipts / (Disbursements)	<u>1,026</u>	<u>(31)</u>	<u>995</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(8,280)	(321)	(8,601)
Fund Cash Balances, January 1	<u>8,946</u>	<u>10,444</u>	<u>19,390</u>
Fund Cash Balances, December 31	<u>\$666</u>	<u>\$10,123</u>	<u>\$10,789</u>
Reserve for Encumbrances, December 31	<u>\$7,959</u>	<u>\$1,993</u>	<u>\$9,952</u>

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

**VILLAGE OF ROGERS
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Agency
Operating Cash Receipts:	
Fines, Licenses and Permits	\$10,529
Total Operating Cash Receipts	10,529
Operating Cash Disbursements:	
Other	10,728
Total Operating Cash Disbursements	10,728
Operating Income/(Loss)	(199)
Fund Cash Balances, January 1	2,278
Fund Cash Balances, December 31	\$2,079
Reserve for Encumbrances, December 31	\$0

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

**VILLAGE OF ROGERS
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$6,689	\$3,761	\$10,450
Intergovernmental	19,722	12,893	32,615
Special Assessments		2,400	2,400
Fines, Licenses and Permits	9,651		9,651
Miscellaneous	14,267	586	14,853
Total Cash Receipts	<u>50,329</u>	<u>19,640</u>	<u>69,969</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	8,325	1,489	9,814
Leisure Time Activities		485	485
Transportation	6,542	20,177	26,719
General Government	30,126	2,444	32,570
Capital Outlay	6,055		6,055
Total Cash Disbursements	<u>51,048</u>	<u>24,595</u>	<u>75,643</u>
Total Receipts Over/(Under) Disbursements	<u>(719)</u>	<u>(4,955)</u>	<u>(5,674)</u>
Other Financing Receipts / (Disbursements):			
Other Financing Sources	2,602		2,602
Other Financing Uses		(29)	(29)
Total Other Financing Receipts / (Disbursements)	<u>2,602</u>	<u>(29)</u>	<u>2,573</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,883	(4,984)	(3,101)
Fund Cash Balances, January 1	<u>7,063</u>	<u>15,428</u>	<u>22,491</u>
Fund Cash Balances, December 31	<u>\$8,946</u>	<u>\$10,444</u>	<u>\$19,390</u>
Reserve for Encumbrances, December 31	<u>\$6,751</u>	<u>\$1,849</u>	<u>\$8,600</u>

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

VILLAGE OF ROGERS
COLUMBIANA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Agency</u>
Operating Cash Receipts:	
Fines, Licenses and Permits	\$19,277
Total Operating Cash Receipts	19,277
Operating Cash Disbursements:	
Other	18,081
Total Operating Cash Disbursements	18,081
Operating Income/(Loss)	1,196
Fund Cash Balances, January 1	1,082
Fund Cash Balances, December 31	<u>\$2,278</u>
Reserve for Encumbrances, December 31	<u>\$0</u>

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

**VILLAGE OF ROGERS
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Rogers, Columbiana County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides park operations and police services. The Village contracts with the Negley Volunteer Fire Association to provide fire protection services.

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

B. Accounting Basis

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

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

C. Deposits and Investments

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

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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

**VILLAGE OF ROGERS
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Fiduciary Funds

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

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

Mayor's Court Fund – This fund accounts for the receipts and disbursements of the Mayor's Court.

Mayor's Computer Fund – This fund accounts for the receipts and disbursements of the Village's Mayor's Court to pay for the court computer and for any updates or maintenance required.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2007 and 2006 budgetary activity appears in Note 3.

**VILLAGE OF ROGERS
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2007	2006
Demand deposits	\$11,983	\$20,763
Savings Accounts	885	905
Total deposits	12,868	21,668

Deposits: Deposits are insured by the Federal Depository Insurance Corporation. Although the statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the FDIC.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$47,102	\$51,691	\$4,589
Special Revenue	18,286	16,661	(1,625)
Total	\$65,388	\$68,352	\$2,964

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$47,102	\$67,930	(\$20,828)
Special Revenue	18,286	18,975	(689)
Total	\$65,388	\$86,905	(\$21,517)

**VILLAGE OF ROGERS
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. BUDGETARY ACTIVITY – (Continued)

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$39,182	\$52,931	\$13,749
Special Revenue	38,009	19,640	(18,369)
Total	\$77,191	\$72,571	(\$4,620)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$39,182	\$57,799	(\$18,617)
Special Revenue	38,009	26,473	11,536
Total	\$77,191	\$84,272	(\$7,081)

4. PROPERTY TAX

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

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

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

5. RETIREMENT SYSTEMS

The Village's part-time Police Officer belongs and all other employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS Law Enforcement participants contributed 10.10% of their wages. For 2007 and 2006, the Village contributed to OPERS an amount equal to 17.17 and 16.93% of police members' wages. For 2007 and 2006, all other OPERS members contributed 9.5 and 9%, of their gross salaries and the Village contributed an amount equaling 13.85 and 13.7%, of participants' gross salaries. The Village has not paid all contributions required through December 31, 2007, and is working with the retirement pensions to contribute the amount owed at December 31, 2007.

**VILLAGE OF ROGERS
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

6. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

7. LEGAL COMPLIANCE

The Village did not comply with Sections 733.262 & 733.28 of the Ohio Revised Code relating to the fiscal officer's duties.

8. GOING CONCERN

The Village is experiencing some financial difficulty and declining fund balances. Liabilities are nearing \$20,000 and its fund balances are 14,866 and the bank balance is \$16,351 at July 31, 2009. The liability is to a single vendor and the Village has established a payment plan to meet its obligation.

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Mary Taylor, CPA

Auditor of State

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

Village of Rogers
Columbiana County
P.O. Box 227
Rogers, Ohio 44455-0227

To the Village Council:

We have audited the financial statements of the Village of Rogers (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated August 24, 2009 wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider finding 2007-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

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A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe finding number 2007-001 is also a material weakness.

We also noted certain matters that we reported to the Village's management in a separate letter dated August 24, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 24, 2009.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

August 24, 2009

VILLAGE OF ROGERS
COLUMBIANA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006

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

FINDING NUMBER 2007-001

Noncompliance Citation / Material Weakness

Ohio Revised Code Section 733.262, provides that a village fiscal officer appointed under this section shall perform the duties provided by law for the village clerk and treasurer and any other duties consistent with the nature of the office. **Ohio Revised Code Section 733.28** requires the village clerk keep the books of the village, exhibit accurate statements of all moneys received and expended, of all property owned by the village and income derived there from, and all taxes and assessments.

The Village utilizes the Uniform Accounting System (UAN) provided by the Auditor of State (AOS). Specific account codes maintained within the UAN system that are proscribed by the AOS are required to be used by the Village. These account codes are listed within the UAN Manual also provided by the AOS.

The former Clerk Treasurer was provided a four-year unaudit letter on February 25, 2008. The letter stated that the reconciliations were not performed for the period beginning January 1, 2004 through December 31, 2007. We maintained communications with the village and on December 4, 2008 the Mayor dropped off the village records for us to begin the audit. The former Clerk Treasurer did not complete the reconciliations. The new Mayor completed the reconciliations so the audit could proceed.

Throughout 2006 and 2007 the former Clerk Treasurer was inconsistent in posting revenue and expenditures to the UAN accounting system. This resulted in sixty six adjustments to the cash reconciliation during the two year period which affected the general fund. The net adjustment to the accounting system and financial statements was a negative \$13,589 impact on the overall fund balances and the adjustments ranged from a positive \$1,685 to a negative \$1,265 to differing funds. The ending book balance at December 31, 2007 for all funds was \$12,868. The audit adjustments resulted from the following issues: not posting interest earned, revenue placed in the bank but not posted to UAN system, posting the same revenue twice in the UAN system, posting revenue to the incorrect funds, and not posting the wire transferred retirement system payments and bank charge-backs to the accounting system.

The prior year's audit report noted the former Clerk Treasurer had made erroneous postings to the fund balance. Based upon the proof-of-cash reconciliation all funds were adjusted during calendar 2006 and 2007 and the necessary adjustments have been posted to the financial statements and accounting records.

We noted that the former Clerk Treasurer made numerous errors during the audit period which consisted of the following which resulted in a reconciliation very difficult to determine completeness:

- Check numbers, both non-payroll and payroll alike, reflected one number in the accounting system and another number on the actual check.
- Adjustments to the system which were not easily understood.
- Posting more receipts than the village received.
- Posting no receipts at all in some funds.

**FINDING NUMBER 2007-001
(Continued)**

Payroll disbursements posted in the accounting system were actually voided but were never voided in the UAN system and were reflected in the UAN Systems payroll module and disbursements ledgers. In addition, as a result of these payments never being voided in the accounting system the affected employee's FORM W-2's reflected compensation not received during the year. During 2008 the new Clerk Treasurer received communication from IRS indicating the FORM W-2's were not agreeing to the amounts which had been reported on FORM 941's for the period. IRS has assessed penalties and interest on this matter. Adjustments through the proof of cash reconciliation were made to account for the payroll transactions so the financial statements are fairly stated.

There were also 28 payroll checks numbered in the UAN System during calendar 2006 that did not agree to the check number on the actual check that cleared the bank. We were able to satisfy ourselves by reviewing the payment register within UAN System and tracing each payroll check to the check that actually cleared the bank. Some checks were voided, one check number in the accounting system was listed as being issued to two separate employees within the pay history report within the UAN System, but all were accounted for during our period.

Our review of ninety-five disbursements noted the following misstatements:

- Sales tax in the amount of \$19.24 was paid on two items purchased through a vendor with who the Village maintains a credit account. This same vendor provides monthly statements.
- Ten disbursements had check numbers in the accounting system which did not correspond to the check number which cleared the bank.
- Twelve transactions were for payments being made over thirty days past due.
- Nine transactions did not have any supporting documentation, such as invoices.

Not posting and incorrectly posting transactions to the UAN system contributed to the difficulties in the reconciliation of Village accounts and lead to weaknesses in monitoring financial condition of the Village.

We recommend the Village establish control procedures to assure the Clerk Treasurer keep accurate statements of all receipts and disbursements of the Village. In addition, the village should contact the vendor and inform them of their tax exempt ID. This should prevent the company from charging sales tax in the future. Also, in performing reconciliations the Clerk should account for each receipt and disbursement. All checks clearing the bank should correspond directly with the check number in the accounting system.

**VILLAGE OF ROGERS
COLUMBIANA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	ORC 733.262 and 733.28 non-performance of duties Clerk Treasurer	No	2007-002
2005-002	ORC 5705.41(D) Certifying the Availability of Funds	No	Management Letter Citation
2005-003	ORC 5705.41(B) Disbursements plus outstanding encumbrances exceed appropriations	No	Management Letter Citation
2005-004	ORC 5705.10(H) Negative Fund Balances	No	Management Letter Citation



Mary Taylor, CPA
Auditor of State

VILLAGE OF ROGERS

COLUMBIANA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 8, 2009**