

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

*Financial Statements
(Audited)*

For The Years Ended
December 31, 2007 and 2006

BARBARA MILLER, FISCAL OFFICER



Mary Taylor, CPA

Auditor of State

Village Council
Village of Rossburg
200 W. Main Street
P.O. Box 94
Rossburg, Ohio 45362

We have reviewed the *Independent Auditor's Report* of the Village of Rossburg, Darke County, prepared by Julian & Grube, Inc., for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 28, 2008

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**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditor's Report

Members of Council and Mayor
Village of Rossburg
P.O. Box 94
200 West Main Street
Rossburg, Ohio 45362-0094

We have audited the accompanying financial statements of the Village of Rossburg, Darke County, Ohio, as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Village of Rossburg'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. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the Village of Rossburg 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 representing entity-wide statements and also presenting the Village of Rossburg's larger (i.e. major) funds separately. While the Village of Rossburg 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 governments to reformat their statements. The Village of Rossburg 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 to its non-GAAP basis is in the second following paragraph.

Independent Auditor's Report
Village of Rossburg
Page 2

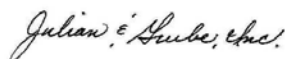
In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Rossburg, 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 cash fund balances of the Village of Rossburg, Darke County, Ohio, as of and for the years ended December 31, 2007 and 2006, and its combined cash receipts and disbursements and combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the years then ended on the basis of accounting described in Note 2.

The Village of Rossburg 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 April 11, 2008, on our consideration of the Village of Rossburg's internal control over financial reporting and on 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Rossburg's financial statements. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2006 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of the Village of Rossburg. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Julian & Grube, Inc.
April 11, 2008

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2007 AND 2006

<u>Cash and Cash Equivalents</u>	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents	\$ 66,926	\$ 121,444
Total Cash and Cash Equivalents	<u>\$ 66,926</u>	<u>\$ 121,444</u>
 <u>Cash Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 31,766	\$ 29,724
Special Revenue Funds	14,722	54,617
Debt Service Fund	13,274	-
Capital Projects Funds	<u>7,164</u>	<u>37,103</u>
Total Governmental Funds	<u>66,926</u>	<u>121,444</u>
Total Fund Balances	<u>\$ 66,926</u>	<u>\$ 121,444</u>

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

**VILLAGE OF ROSSBURG
DARKE 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, 2007

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Local taxes	\$ 8,676	\$ -	\$ -	\$ -	\$ 8,676
Intergovernmental	36,558	13,348	-	378,020	427,926
Special assessments	-	-	26,549	-	26,549
Fines, licenses, and permits	100	-	-	-	100
Interest	191	244	-	-	435
Miscellaneous	722	-	-	2,063	2,785
Total cash receipts	<u>46,247</u>	<u>13,592</u>	<u>26,549</u>	<u>380,083</u>	<u>466,471</u>
Cash disbursements:					
Current:					
Security of persons and property	10,102	-	-	-	10,102
Public health services	569	-	-	-	569
Leisure time activities	1,088	-	-	-	1,088
Basic utility services	17,456	-	-	-	17,456
Transportation	-	53,487	-	-	53,487
General government	19,990	-	-	-	19,990
Capital outlay	-	-	-	471,422	471,422
Debt service:					
Principal retirement	-	-	13,275	-	13,275
Total cash disbursements	<u>49,205</u>	<u>53,487</u>	<u>13,275</u>	<u>471,422</u>	<u>587,389</u>
Total cash receipts over/(under) cash disbursements	<u>(2,958)</u>	<u>(39,895)</u>	<u>13,274</u>	<u>(91,339)</u>	<u>(120,918)</u>
Other financing receipts/(disbursements):					
Proceeds from notes	-	-	-	61,400	61,400
Proceeds from sale of assets	5,000	-	-	-	5,000
Total other financing receipts/(disbursements)	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>61,400</u>	<u>66,400</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	2,042	(39,895)	13,274	(29,939)	(54,518)
Cash fund balances, January 1, 2007	<u>29,724</u>	<u>54,617</u>	<u>-</u>	<u>37,103</u>	<u>121,444</u>
Cash fund balances, December 31, 2007	<u>\$ 31,766</u>	<u>\$ 14,722</u>	<u>\$ 13,274</u>	<u>\$ 7,164</u>	<u>\$ 66,926</u>

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

VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

Fund Types	Receipts			Disbursements					Variance Favorable (Unfavorable)			
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2007 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2007 Appropriations	Total		Actual 2007 Disbursements	Encumbrances Outstanding at 12/31/07	Total
Governmental:												
General	\$ 30,068	\$ 47,296	\$ 77,364	\$ 51,247	\$ 3,951	\$ -	\$ 77,364	\$ 77,364	\$ 49,205	\$ -	\$ 49,205	\$ 28,159
Special Revenue	62,961	10,760	73,721	13,592	2,832	-	73,721	73,721	53,487	-	53,487	20,234
Debt Service	-	26,550	26,550	26,549	(1)	-	26,550	26,550	13,275	-	13,275	13,275
Capital Projects	20,700	5,180	25,880	441,483	436,303	20,700	25,880	46,580	471,422	-	471,422	(424,842)
Total	\$ 113,729	\$ 89,786	\$ 203,515	\$ 532,871	\$ 443,085	\$ 20,700	\$ 203,515	\$ 224,215	\$ 587,389	\$ -	\$ 587,389	\$ (365,174)
(Memorandum Only)												

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

**VILLAGE OF ROSSBURG
DARKE 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, 2006

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Local taxes	\$ 8,177	\$ -	\$ -	\$ 8,177
Intergovernmental - state	45,808	13,442	515,044	574,294
Intergovernmental - federal	-	-	561,579	561,579
Interest	339	557	-	896
Miscellaneous	1,490	-	1,880	3,370
Total cash receipts	<u>55,914</u>	<u>13,999</u>	<u>1,078,503</u>	<u>1,148,416</u>
Cash disbursements:				
Current:				
Security of persons and property	14,160	-	-	14,160
Public health services	518	-	-	518
Leisure time activities	21,241	-	-	21,241
Basic utility services	12,225	-	-	12,225
Transportation	-	33,928	-	33,928
General government	32,610	-	-	32,610
Capital outlay	-	-	1,547,390	1,547,390
Debt service:				
Principal retirement	-	-	25,000	25,000
Total cash disbursements	<u>80,754</u>	<u>33,928</u>	<u>1,572,390</u>	<u>1,687,072</u>
Total cash receipts over/(under) cash disbursements	<u>(24,840)</u>	<u>(19,929)</u>	<u>(493,887)</u>	<u>(538,656)</u>
Other financing receipts				
Proceeds from notes	-	-	530,990	530,990
Proceeds from sale of assets	310	-	-	310
Total other financing receipts	<u>310</u>	<u>-</u>	<u>530,990</u>	<u>531,300</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(24,530)	(19,929)	37,103	(7,356)
Cash fund balances, January 1, 2006	<u>54,254</u>	<u>74,546</u>	<u>-</u>	<u>128,800</u>
Cash fund balances, December 31, 2006	<u>\$ 29,724</u>	<u>\$ 54,617</u>	<u>\$ 37,103</u>	<u>\$ 121,444</u>

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

VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

Fund Types	Receipts			Appropriations						Variance Favorable (Unfavorable)		
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2006 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2006 Appropriations	Total	Actual 2006 Disbursements		Encumbrances Outstanding at 12/31/06	Total
Governmental:												
General	\$ 50,515	\$ 44,820	\$ 95,335	\$ 56,224	\$ 11,404	\$ -	\$ 95,335	\$ 95,335	\$ 80,754	\$ -	\$ 80,754	\$ 14,581
Special Revenue	78,290	9,800	88,090	13,999	4,199	-	88,090	88,090	33,928	-	33,928	54,162
Capital Projects	-	2,337,056	2,337,056	1,609,493	(727,563)	-	2,337,056	2,337,056	1,572,390	20,700	1,593,090	743,966
Total	\$ 128,805	\$ 2,391,676	\$ 2,520,481	\$ 1,679,716	\$ (711,960)	\$ -	\$ 2,520,481	\$ 2,520,481	\$ 1,687,072	\$ 20,700	\$ 1,707,772	\$ 812,709

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

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of Rossburg, Darke County, Ohio (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, street maintenance, park operations, and police services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIS OF 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.

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.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

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

Debt Service Fund

The debt service fund is used to accumulate resources for the payment of indebtedness. The fund accumulates resources via special assessments for the payment of debt.

Capital Projects Fund

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 the following significant Capital Projects Fund:

Sanitary Sewer Construction Fund - This fund receives Community Development Block Grant (CDBG) on-behalf payments from the County for costs associated with sanitary sewer improvements within the Village.

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.

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 are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund, department, personal service and other level within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

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

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the Darke 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.

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. The Village legally adopted one supplemental appropriation in 2007 and one in 2006.

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 re-appropriated. The Village had no outstanding encumbrances at December 31, 2007.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

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

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

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 \$435 and \$896 for the years ended December 31, 2007 and 2006, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Capital 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.

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. 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.

NOTE 3 - COMPLIANCE

- i.* The Village had expenditures in excess of appropriations for the years ended December 31, 2007 and 2006 in noncompliance with Ohio Revised Code Section 5705.41(B) and 5705.40.
- ii.* Contrary to Ohio Revised Code Section 5705.41(D), the Village did not certify funds available or in the process of collection prior to purchase during the year ended December 31, 2007.
- iii.* Contrary to Ohio Revised Code Section 5705.36(A)(4), the Village had appropriations in excess of actual resources during 2006.
- iv.* The Village did not certify the proper beginning fund balances to the County Auditor in noncompliance with Ohio Revised Code Section 5705.36 at January 1, 2007 and January 1, 2006.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

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

NOTE 4 - EQUITY IN POOLED CASH & CASH EQUIVALENTS

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

	<u>2007</u>	<u>2006</u>
Deposits	<u>\$ 66,926</u>	<u>\$ 121,444</u>

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

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 revenues received in 2007 and 2006 (other than public utility property) represent the collection of 2007 and 2006 taxes, respectively. Tangible personal property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, respectively, on the true value as of December 31, 2006 and 2005, respectively. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, was 18.75% for 2006. This percentage was reduced to 12.5% for 2007, and will be 6.25% for 2008, and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the Village due to the phasing out of the tax. In calendar years 2006-2010, the Village will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 6 - DEBT OBLIGATIONS

At December 31, 2007 and 2006, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/07</u>	<u>Balance at 12/31/06</u>
2006 Ohio Water Development Authority (OWDA) note for waste water plant construction, due in semiannual payments of \$13,275 through 2027 at 0% interest.	\$ 517,715	\$ 530,990
2007 Ohio Public Works Commission (OPWC) note for Broad Street Reconstruction, due in semiannual payments of \$1,535 through 2027 at 0% interest.	<u>61,400</u>	<u>-</u>
Total	<u>\$ 579,115</u>	<u>\$ 530,990</u>

Transactions for the years ended December 31, 2007 and 2006 are summarized as follows:

	<u>Balance at 01/01/07</u>	<u>Proceeds</u>	<u>Principal Retirement</u>	<u>Balance at 12/31/07</u>
<u>2007</u>				
2006 OWDA	\$ 530,990	\$ -	\$ 13,275	\$ 517,715
2007 OPWC	<u>-</u>	<u>61,400</u>	<u>-</u>	<u>61,400</u>
Total	<u>\$ 530,990</u>	<u>\$ 61,400</u>	<u>\$ 13,275</u>	<u>\$ 579,115</u>
	<u>Balance at 01/01/06</u>	<u>Proceeds</u>	<u>Principal Retirement</u>	<u>Balance at 12/31/06</u>
<u>2006</u>				
2004 OWDA	\$ 25,000	\$ -	\$ 25,000	\$ -
2006 OWDA	<u>-</u>	<u>530,990</u>	<u>-</u>	<u>530,990</u>
Total	<u>\$ 25,000</u>	<u>\$ 530,990</u>	<u>\$ 25,000</u>	<u>\$ 530,990</u>

The 2004 OWDA planning loan was retired in 2006.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 6 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirements to retire the debt obligations at December 31, 2007 are as follows:

Year Ending December 31,	2006 Note - OWDA	2007 Note - OPWC	Totals
2008	\$ 26,550	\$ 3,070	\$ 29,620
2009	26,550	3,070	29,620
2010	26,550	3,070	29,620
2011	26,550	3,070	29,620
2012	26,550	3,070	29,620
2013-2017	132,750	15,350	148,100
2018-2022	132,750	15,350	148,100
2023-2027	<u>119,465</u>	<u>15,350</u>	<u>134,815</u>
Totals	<u>\$517,715</u>	<u>\$ 61,400</u>	<u>\$579,115</u>

NOTE 7 - RETIREMENT SYSTEMS

Certain Village employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. This 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 2007 and 2006, OPERS members contributed 9.5% and 9.0%, respectively, of their gross salaries. The Village contributed an amount equal to 13.85% and 13.70%, respectively, of participants' gross salaries for 2007 and 2006. As of December 31, 2007, the Village had no outstanding liability.

At December 31, 2007, two employees have elected to contribute to Social Security. The Village's liability is 6.2% of wages paid. As of December 31, 2007, the Village had no outstanding liability.

NOTE 8 - RISK MANAGEMENT

In 2007 and 2006, the Village had obtained commercial insurance for the following risks:

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

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

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

NOTE 9 - CONTINGENT LIABILITY

LITIGATION

The Village is currently not involved in litigation.

SUPPLEMENTARY DATA

VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2006

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT			
Community Development Block Grants/State's Program	14.228	C-W-04-330-1	\$ 561,579
Total Community Development Block Grants/State's Program			<u>561,579</u>
Total U.S. Department of Housing and Urban Development			<u>561,579</u>
Total Federal Financial Assistance			<u>\$ 561,579</u>

(A) This schedule was prepared on the cash basis of accounting.



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

Members of Council and Mayor
Village of Rossburg
P.O. Box 94
200 West Main Street
Rossburg, Ohio 45362-0094

We have audited the financial statements of the Village of Rossburg, Darke County, Ohio, as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated April 11, 2008, wherein we noted the Village of Rossburg followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 of Rossburg's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Rossburg's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Village of Rossburg'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 certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of 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 of Rossburg'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 a misstatement of the Village of Rossburg's financial statements that is more than inconsequential will not be prevented or detected by the Village of Rossburg's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as item 2007-VOR-001 to be a significant deficiency in internal control over financial reporting.

Members of Council and Mayor
Village of Rossburg

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of Rossburg's internal control.

Our consideration of 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 internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

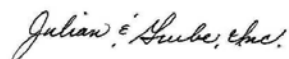
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Rossburg's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 five instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2007-VOR-002, 2007-VOR-003, 2007-VOR-004, 2007-VOR-005 and 2007-VOR-006.

We noted certain matters that we reported to the management of The Village of Rossburg in a separate letter dated April 11, 2008.

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

This report is intended solely for the information and use of management and Council of The Village of Rossburg and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
April 11, 2008



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**Report on Compliance With Requirements Applicable to Its
Major Program and on Internal Control Over
Compliance in Accordance With *OMB Circular A-133***

Members of Council and Mayor
Village of Rossburg
P.O. Box 94
200 West Main Street
Rossburg, Ohio 45362-0094

Compliance

We have audited the compliance of the Village of Rossburg, Darke County, Ohio, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2006. The Village of Rossburg's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and responses. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Village of Rossburg's management. Our responsibility is to express an opinion on the Village of Rossburg'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, and OMB Circular A-133, *Audit 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Rossburg'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 of the Village of Rossburg's compliance with those requirements.

In our opinion, the Village of Rossburg complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2006.

However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with *OMB Circular A-133* and which is described in the accompanying schedule of findings as item 2007-VOR-007.

Members of Council and Mayor
Village of Rossburg

Internal Control Over Compliance

The management of the Village of Rossburg is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village of Rossburg's internal control over compliance with requirements that could have a direct and material effect on a major federal 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 of Rossburg's internal control over compliance.

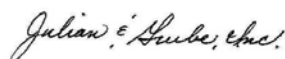
A control deficiency in the Village of Rossburg's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village of Rossburg's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Village of Rossburg's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Village of Rossburg's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

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

This report is intended solely for the information and use of Council and the management of the Village of Rossburg, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
April 11, 2008

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510?</i>	Yes
<i>(d)(1)(vii)</i>	<i>Major Program:</i>	Community Development Block Grants/State's Program: CFDA #14.228
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007 AND 2006**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2007-VOR-001

Significant Deficiency

In May of 2006, the American Institute of Certified Public Accountants (AICPA), the national professional organization for certified public accountants, issued its Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters Identified in an Audit*. This standard became effective for audits of financial statements for periods ending on or after December 15, 2006.

The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 112 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This new standard requires the audit to report *in writing* to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, SAS No. 112 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control. One of those deficiencies, which is applicable to the Village is the following:

We identified a misstatement in the financial statements for the years under audit that was not initially identified by the Village's internal control. The audit adjustment was necessary to correct an error in the Village's financial statements. A description of the material adjustment follows:

OWDA Debt - The Village's 2004 planning loan was retired in 2006 and reissued as part of the 2006 OWDA loan. An audit adjustment was made to reflect the loan payoff of \$25,000 and subsequent re-issue.

We recommend the Village monitor debt payments and properly record debt transactions.

Client Response: The Village will attempt to "gross up" such transactions in the future.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007 AND 2006**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2007-VOR-002 - (Continued)

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

At December 31, the Village had disbursements in excess of appropriations in the following funds:

2007

<u>Fund Type/Fund/Item</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
Storm Sewers	\$ 2,030	\$ 7,725	\$ 5,695
Legislative Activities: Personal Services	3,000	3,623	623
Auditor of State Fees	-	888	888
Solicitor	800	1,100	300
Other General Government: Other	250	1,089	839
<u>Capital Projects Funds</u>			
Broad Street Reconstruction			
Construction	-	432,420	432,420

2006

<u>Fund Type/Fund/Item</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
Storm Sewers	2,000	2,557	557
Other General Government: Other	-	1,170	1,170

With disbursements exceeding appropriations, the Village is spending monies that have not been lawfully appropriated by Village Council. This may result in unnecessary spending or overspending which may result in a negative fund balance.

We recommend that the Village comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring their 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.

Client Response: The Village Council will attempt to pass amended appropriations as needed in accordance with the Ohio Revised Code.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007 AND 2006**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2007-VOR-003

Ohio Revised Code Section 5705.40 in part requires that any appropriation measure may be amended or supplemented if the entity complies with the same laws used in making the original appropriation. However, no appropriation may be reduced below an amount sufficient to cover all un-liquidated and outstanding contracts or obligations against them.

The Village had total expenditures exceeding total appropriations throughout the year and at year end for December 31, 2007 and 2006.

By not timely and properly modifying the Village's appropriations, the Village is not adequately monitoring its expenditures versus appropriations. This may result in appropriating monies in excess of estimated resources, and having expenditures exceed appropriations, and possibly, fund deficits.

We recommend that the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations records and amending the appropriations throughout the year and prior to year end. In addition, the Village should monitor its budgetary process on a regular basis.

Client Response: The Village Fiscal Officer is attempting to make appropriation modifications as approved by Council and certify them to the county in a more timely manner.

Finding Number	2007-VOR-004
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Ohio Revised Code Section 5705.41 (D) requires that no orders or contracts involving the disbursement of monies are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The Village did not process fiscal officer certificates for the year ended December 31, 2007 prior to expending funds. While a listing of all disbursements is provided to the Council members at each meeting (if applicable) prior to payment, no fiscal officer certificates were issued.

Without timely certification, the Village may expend more funds than available in the treasury, in the process of collection or than funds appropriated. In addition, by purchasing items prior to Council approval or absent the fiscal officer's certificate process, the potential for unnecessary purchases or items for improper public purpose cannot be prevented if approval is after the fact.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007 AND 2006**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2007-VOR-004 - (Continued)

We recommend that the Village implement a policy and procedure for the use of fiscal officer certificates to help ensure that the disbursements are timely certified. This will help ensure that all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The Village should issue approved fiscal officer certificates and consider using regular blanket and super blanket purchase orders, and/or “Then and Now” certificates where applicable.

Client Response: The Village Fiscal Officer will attempt to utilize the fiscal officer certificate system as required by the Ohio Revised Code.

Finding Number	2007-VOR-005
----------------	--------------

Ohio Revised Code Section 5705.36 (A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

At year end for 2006, the Village had appropriations greater than actual resources, which consist of actual revenues, beginning fund balance and prior year encumbrances appropriated in the following funds:

<u>Capital Projects Funds</u>	<u>Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Sanitary Sewer Construction	\$ 1,370,042	\$ 1,527,056	\$ 157,014
Broad Street Reconstruction	239,451	810,000	570,549

By appropriating more funds than actual resources, the Village is at risk of spending more money than is available; this may result in negative fund balances.

We recommend the Village monitor appropriations in comparison to actual resources and obtain decreased amended appropriations as needed. Further guidance may be found in Auditor of State bulletin 97-010.

Client Response: The Village is attempting to monitor the budget more closely.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007 AND 2006**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2007-VOR-006

Ohio Revised Code Section 5705.36 requires, in part, subdivisions to certify to the County Auditor the amount available from all sources for expenditures from each fund along with any balances which existed at the end of the preceding year on or about the first day of each fiscal year.

The Village did not certify the correct unencumbered fund balances at January 1, 2007 and January 1, 2006.

By not certifying accurate unencumbered cash the Village does not have proper estimated resources in which to appropriate against, which could cause appropriations to exceed estimated resources.

We recommend the Village properly certify the correct fund balances. This will enable the County Auditor to perform the proper certification with accurate information. This will in turn allow the Village to properly appropriate funds within available resources.

Client Response: The Village will attempt to certify the proper balances to the County Auditor.

3. FINDINGS FOR FEDERAL AWARDS

Audit Requirement - For the year ended December 31, 2006

Finding Number	2007-VOR-007
CFDA Title and Number	Community Development Block Grants/State's Program: CFDA #14.228
Federal Award Number/Year	C-W-04-330-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Non-compliance Finding

31 U.S.C. 7502(a)(1)(A) requires non-federal entities that expend \$500,000 or more in a year in Federal Awards shall have an annual Single or Program-Specific audit conducted for that year and filed with the Federal Audit Clearing House within nine months after year end.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007 AND 2006**

3. FINDINGS FOR FEDERAL AWARDS - (Continued)

The Village expended \$561,579 in federal awards in 2006 and did not have an annual Single Audit conducted until 2008.

We recommend the Village implement a monitoring procedure to ensure the Village has a Single Audit conducted when required. We further recommend the Village notify the Auditor of State's office should it determine it has spent more than the required threshold. Without a single audit being conducted in a timely manner the Village is potentially affecting its federal funding status.

Client Response: The Fiscal Officer contacted the Auditor of State's office to try to obtain an annual audit; however, the process was not completed timely.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2007 AND 2006**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2005-VOR-001	Ohio Revised Code Section 5705.41(B) requires in part that no subdivision is to expend monies unless it has been appropriated.	No	Repeated as finding 2007-VOR-002



Mary Taylor, CPA
Auditor of State

VILLAGE OF ROSSBURG

DARKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 10, 2008**